

The Global Newspaper
Edited and
Published in Paris
Printed simultaneously
in Paris, London, Zurich,
Hong Kong, Singapore,
The Hague, Marseille, Miami.

No. 32,278 49/86

INTERNATIONAL Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

PARIS, TUESDAY, DECEMBER 2, 1986

Algeria ... 640 Drs. ... 112 Pts. Oman ... 8,000 Rials
Australia ... 22.5 Austr. ... 110 Esc.
Bahrain ... 0.700 Dhs. ... 1,750 Livre. ... 150 Rials
Belgium ... 49 B.F. ... 450 Frs. Rep. of Ireland ... 70 P.
Canada ... C\$ 1.50 Kenyas ... Shs. 20.00 Saudi Arabia ... 7.00 R.
Ceylon ... C\$ 0.70 Kuwait ... 500 Rials ... 72 P.
Denmark ... 4.00 Dkr. ... Libys ... 1.10 Dls. 940 Sweden ... 17.00 P.
Finland ... 1.00 Fins. ... 1.200 Turkey ... 1.20 P.
France ... 4.50 F. ... Herceg ... 17.00 Turkey ... 2,000 Den.
Germany ... 2.80 D.M. Morocco ... 8.50 Ds. I.A.E. ... 7.00 Den.
Great Britain ... £1.20 Netherlands ... 2.90 D. U.S. M.R. L. ... 5.00 S.
Greece ... 1.50 D. Hungary ... 1.50 Pts. Yugoslavia ... 560 D.

Paris, in Shift, Bars Foreign Control of Firm in Key Sector

LATE NEWS

Kemp Sets Up Campaign Unit

WASHINGTON (Reuters) — Representative Jack F. Kemp, Republican of New York, set up an exploratory presidential campaign committee Monday and an aide said Mr. Kemp was expected to officially announce his candidacy early next year.

Establishment of the committee does not commit Mr. Kemp to the 1988 presidential race but it does facilitate setting up a campaign organization, hiring staff, raising and spending money and traveling across the country seeking support.

Mr. Kemp, 51, has been a member of the House for 16 years, representing the Buffalo area, and was re-elected for another two-year term last month.

INSIDE TODAY

PARIS — Reversing itself for political reasons, the French government has decided not to let foreigners buy majority control of the country's second-largest telecommunications company.

Instead, foreign participation in the financially troubled de Compagnie Générale Construction Téléphonique, known as CGCT, will be limited to a maximum of 20 percent, government officials said Monday.

The decision represented a about-face on an issue that had drawn international attention. France initially had appeared to drop its long-standing refusal to let foreigners control a company in such key sectors as telecommunications.

All three foreign groups that had been negotiating with the French government for a controlling share in the company — a 50-50 joint venture of AT&T and Philips NV of the Netherlands; Siemens AG of West Germany, and I.M. Ericsson AB of Sweden — said they were still interested in some form of cooperation with the company, including bidding on the 20-percent stake.

The Reagan administration warned the French and West German governments last month that it would retaliate against their business interests in the United States if control of the company was awarded to Siemens on political, rather than industrial, grounds as part of Paris's desire to improve trade relations with Bonn.

A senior French telecommunications official said: "The Chirac government made a very Gaullist decision — to make sure no one got the impression that Americans or Germans were coming in on a key area such as telecommunications."

"It was purely political, and now we are back to where we were when it all started," he added.

A similar position was taken by a senior executive of the AT&T-Philips venture: "We hope the French are still seeking to open their telecommunications market to competition, but clearly there is a conflict."

Iranian military officers gave an Israeli a list of specific spare parts for a type of anti-aircraft bat-



President Ronald Reagan met Monday with the panel he appointed to investigate the Iran arms scandal. Former Senator John G. Tower, left, heads the commission. The other two members are Edmund S. Muskie, at Mr. Reagan's left, and Brent Scowcroft.

Republicans Cite 'Shambles,' Urge Action

By David S. Broder
Washington Post Service

WASHINGTON — Republican party leaders, saying the administration's foreign policy operations are "in shambles," are warning President Ronald Reagan he must move quickly to restore his tarnished credibility or risk long-term damage to his administration and to his party.

Richard C. Lugar, Republican of Indiana and chairman of the Senate Foreign Relations Committee,

called on Mr. Reagan on Sunday in a television interview to "clean house of all the miscreants," and to take charge immediately by replacing key White House staff officials and perhaps some cabinet members.

A cross-section of elected and party officials said in interviews that while they were heartened by Mr. Reagan's initial actions last week, they were increasingly worried that further disclosures stemming from the arms sales to Iran and the diversion of profits to the

anti-Sandinista forces in Nicaragua could spell deep trouble.

"I think there's been a loss of credibility," said Senator Thad Cochran, Republican of Mississippi, in a typical comment. "To permit private activities inconsistent with our publicly stated policies means we're not to be trusted."

He added: "The president has to restore that credibility. I think he can do it, but it ought to be done quickly."

Several of persons interviewed

Reagan 'Welcomes' Special Iran Inquiry

By David Hoffman
Washington Post Service

WASHINGTON — President Ronald Reagan said Monday that he would welcome the appointment of an independent counsel to investigate the Iran arms scandal if the Justice Department said it was necessary.

He also ordered the National Security Council staff not to participate in "operational aspects of sensitive, diplomatic, military or intelligence missions" pending the outcome of investigations.

Amid criticism of clandestine operations involving arms sales to Iran with the profits being used to arm Nicaraguan rebels, the president met with a special three-member commission he has appointed to investigate the scandal.

The chairman of the panel is a former Republican senator from Texas, John G. Tower, who said the

group would look into the controversy with "cold objectivity."

Former Secretary of State Edmund S. Muskie, another member, said the group was "free to put questions to anybody we choose if the government and we will do that. We've been promised total access."

He also ordered the National Security Council staff not to participate in "operational aspects of sensitive, diplomatic, military or intelligence missions" pending the outcome of investigations.

Amid criticism of clandestine operations involving arms sales to Iran with the profits being used to arm Nicaraguan rebels, the president met with a special three-member commission he has appointed to investigate the scandal.

The outgoing Senate majority leader, Bob Dole, said after a meeting with the White House chief of staff, Donald T. Regan, that he

believed the administration was leaning toward such an inquiry.

Mr. Reagan said he would welcome the appointment of an independent counsel if Attorney General Edwin Meese 3d determined that one was necessary.

Mr. Dole also said the White House was giving "active consideration" to his proposal for a single bipartisan congressional inquiry into the Iran and Nicaraguan operations.

Mr. Regan's announcement that the National Security Council would temporarily cease involvement in covert operations came amid indications that an independent counsel would be named to conduct an inquiry.

The outgoing Senate majority leader, Bob Dole, said after a meeting with the White House chief of staff, Donald T. Regan, that he

believed the administration was leaning toward such an inquiry.

The senator said he did not believe Mr. Regan planned to resign and added that he saw no reason for the chief of staff to step down.

There have been demands among senior Republican Party officials and members of Congress for Mr. Regan to step down because he served as Mr. Reagan's top aide during the period in which the Iran and Nicaraguan operations were carried out.

Last week, following disclosure that money from the Iran arms sale was funneled to the Nicaraguan rebels, also known as "contras," in possible violation of the law, Mr. Regan's national security adviser, Vice Admiral John M. Poindexter, resigned and a key deputy, Lieutenant Colonel Oliver L. North, was dismissed.

Congress had previously harred the administration from aiding the contras during the period in which the secret operations were carried out.

Mr. Reagan asked the Tower panel "to look into the question of whether and under what circumstances the National Security Council staff was, and should be, directly involved in the operational aspects of sensitive, diplomatic, military or intelligence missions."

Mr. Regan said he has directed the council staff "not to participate

See REAGAN, Page 2



Richard C. Lugar

Israel Sent Obsolete Parts, Angering Iran, U.S.

By Walter Pincus
Washington Post Service

WASHINGTON — Israeli arms brokers substituted obsolete anti-aircraft missile parts in a secret November 1985 arms shipment to Iran, angering the Iranians and causing the White House to begin sending weapons directly from US military stocks, according to US and Israeli sources.

Iranian military officers gave an Israeli a list of specific spare parts for a type of anti-aircraft bat-

teries known as Improved Hawk, or I-Hawk, but for reasons that are not clear they received parts for an older, less-sophisticated version of the Hawk, the sources said Sunday.

The November shipment was eventually returned to Israel, and the incident led the White House to begin sending weapons directly from US arsenals for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

He said Mr. Weir was released because of these activities but that afterward, "the Americans apparently reached the conclusion that it

were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12-million value of the weapons into a Swiss bank account, and some of those profits were diverted to aid Nicaraguan

rebels, according to disclosures last week.

In a statement released Sunday, an Israeli businessman, Yaakov Nimmrod, confirmed reports that he had organized the September arms shipments to Iran as a way "to

Students to Continue Protests in France

Reuters

PARIS — Students in many of France's main universities decided Monday to press ahead with a weeklong strike and other protests despite government promises to consider modifying an education bill if some points were "unclear."

Student leaders said the protest movement, which last week brought hundreds of thousands of youths onto the streets, would continue until Prime Minister Jacques Chirac agreed to withdraw the bill.

The police closed off the area around the Tuilleries Gardens in central Paris as university and secondary-school students gathered to protest against changes that they called elitist.

More than 2,000 youths tried to march toward the nearby Musée d'Orsay art museum, where Mr. Chirac and President François Mitterrand were attending an opening ceremony, but they were held back by police.

Mr. Chirac, seeking to counter the biggest wave of student protests since 1968, said Sunday night that the government was ready to con-

sider revising the draft legislation, but he ruled out withdrawing the education plan.

"If the text is not clear, it must be modified," he said, insisting there had been a simple misunderstanding.

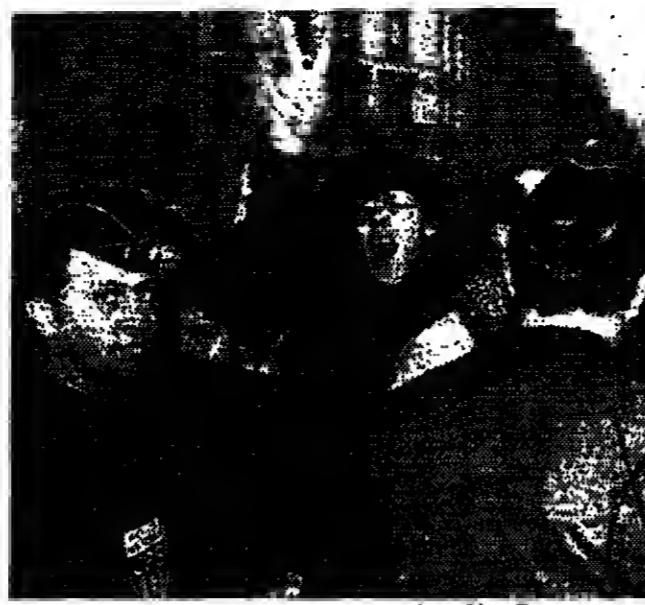
The government has proposed an increase in tuition fees and changes in entrance procedures.

Mr. Chirac's efforts to calm the students appear to have had little effect, with the main student organizations at universities at Paris, Marseille, Grenoble and other cities voting Monday to continue a boycott of classes.

In one Lyon faculty, clashes broke out between strike activists and members of an extreme-right student group.

"Chirac treats us like imbeciles," said Isabelle Thomas, a leader of the protest movement. "He has proposed talks on technical points while all that interests us is its withdrawal."

Student leaders also vowed to press ahead with a big demonstration in Paris on Thursday. They said they hoped the march would



French police stopping a group of students Monday in Paris.

draw as many protesters as a demonstration last week that attracted 200,000.

The government suspended parliamentary debate Friday on the education bill just after it opened and sent the legislation back to committee for review.

The protest movement has already brought most of the nation's 72 universities to a standstill.

Mr. Chirac said Sunday that higher education badly needed change; he said that 50 percent of students dropped out before getting a degree.

He promised to maintain a national system of degrees and the freedom of all those with a secondary school diploma, the baccalaureate, to enter college and study what they wanted.

Seoul Opposition Seeks Apology for Police Acts, Threatens Disruptions

Agence France-Presse

SEOUL — The South Korean opposition threatened on Monday to disrupt the National Assembly unless the government apologizes for forcibly preventing an opposition rally on Saturday.

The rally was prevented when thousands of combat policemen were mobilized in Seoul to block intersections, side streets, subway entrances and major buildings.

The operation thwarted plans by the New Korea Democratic Party, the main opposition party, to rally its supporters in a demonstration calling for direct popular election of the president when President Chun Doo Hwan's term expires in 15 months. The government insists on an indirect parliamentary system.

In a resolution adopted at a meeting of its parliamentary members on Monday, the New Korea Democratic Party called the police action "barbarous" and said it proved that the government con-

sidered the whole nation as its op-

ponent.

The opposition legislators said they would block any attempt by the governing Democratic Justice Party to push next year's budget bill through its final stages to meet the deadline Tuesday. Political observers took this to mean that the legislators would occupy the parliament building and filibuster the bill, as they did last year.

The police said that 15 persons were killed and 50 were wounded in Beirut fighting. They said 31 persons were killed and 61 wounded in similar battles at the Christian town of Maghdoush, which overlooks Palestinian camps at the provincial capital of Sidon in southern Lebanon.

WORLD BRIEFS

46 Die in Heavy Fighting in Lebanon

BEIRUT (AP) — Palestinian guerrillas and Shiite militiamen fought on Monday with artillery, tanks and grenades in Beirut and in southern Lebanon. The police said 46 persons were killed and 111 wounded.

The Shiite Moslem militia Amal pounded the Palestinian refugee camps of Chatila and Burj al-Barajneh in Beirut with howitzers, tank cannons and mortars. Palestine Liberation Organization guerrillas fought back with multi-barreled rocket launchers and rocket grenades, the police said. Local reporters said that the Shiites used about 40 tanks in firing on the camps, which are surrounded by the Shiite slums of southern Beirut.

The police said that 15 persons were killed and 50 were wounded in Beirut fighting. They said 31 persons were killed and 61 wounded in similar battles at the Christian town of Maghdoush, which overlooks Palestinian camps at the provincial capital of Sidon in southern Lebanon.

Pope, on Isle, Criticizes Concubinage

VICTORIA, Seychelles (AFP) — Pope John Paul II appealed Monday to the Catholic majority in Seychelles to resist "easy pleasures" and return to traditional marriage.

After a brief introduction in Creole, the pope told an audience of about 15,000 in French that "a society falls apart when marriages become name and more unstable, when each person sets out first and foremost to satisfy his egoism and easy pleasures, when one accepts unfaithfulness and ruptures." About 60 percent of births on the Indian Ocean island are out of wedlock.

John Paul was scheduled to arrive in Rome early Tuesday, ending a 30,000-mile (49,000-kilometer) tour of Asia and the Pacific, the longest of his many voyages. In addition to Seychelles, the pope visited Bangladesh, Singapore, Fiji, New Zealand and Australia.

Turner Re-elected by Canadian Party



John Turner

OTTAWA (NYT) — John

Turner has won a resounding endorsement for his confirmed leadership of the Liberal Party. Delegates at a national party convention voted, 2,001-62, to keep Mr. Turner as leader.

Mr. Turner's victory represents a major comeback from a September 1984 defeat by the Progressive Conservative Party. "Now I know that I have your confidence," Mr. Turner said Sunday at the convention. He said his task now would be to prepare for a federal election sometime in 1988.

In a number of policy votes, delegates act what might be the basis for the Liberal election platform. Among other actions, they favored proposals to halt testing in Canada of U.S. cruise missiles, to oppose President Ronald Reagan's strategic defense initiative and to make Canada a nuclear-free zone.

U.S. to Deport War Criminal to Soviet

WASHINGTON (AP) — The Supreme Court cleared the way Monday for the deportation to the Soviet Union of Karl Limas, who is under a death sentence there for running a Nazi concentration camp.

The court, by a 6-3 vote, rejected arguments that deportation proceeded for Mr. Limas violated his rights.

Mr. Limas, of Long Island, New York, is accused of running a concentration camp in Tartu, Estonia, in 1941 and 1942, where 2,000 people were killed. Estonia is now part of the Soviet Union.

Rebels Said to Kill Boy in Philippines

MANILA (AP) — Communist rebels ambushed a vehicle on the southern island of Mindanao, killing a 6-year-old boy and wounding the mayor of the town of Magpet and three other persons, the police reported Monday.

The incident took place Sunday along the national highway near the town of Santa Cruz, about 620 miles (1,000 kilometers) southeast of Manila. It occurred three days after the government and Communist representatives signed a 60-day cease-fire that is scheduled to go into effect Dec. 10.

In Manila, Defense Minister Rafael M. Illeto told military commanders Monday to stay vigilant during the cease-fire and advised them not to develop a "rigid mind-set" that the agreement might fail. In a meeting at military headquarters, Mr. Illeto said the truce was a "sensitive and critical experiment."

"Our party was defeated," said Park Chang Jong, an opposition legislator. But given the perception that Mr. Chun had prevailed only by force, he said, "that doesn't mean the government was a winner."

Criticism by U.S.

The United States criticized South Korea on Monday for blocking the rally Saturday, Reuters reported from Washington.

"Under the Korean constitution," said Charles E. Redman, a State Department spokesman, "the government has the obligation not only to protect security and public order, but also the freedom of association and speech."

U.S. officials have repeatedly expressed Washington's desire that South Korea move as quickly as possible toward full democracy.

Manet Painting Sold for Record Price

LONDON (UPI) — A painting by Edouard Manet was sold Monday for a record £1.7 million (\$11 million), more than twice the expected price, Christie's auction house said.

The anonymous purchaser of the impressionist painting was identified only as a "European buyer," and a Christie's spokeswoman said it appeared that the piece, "La rue Mosnier aux pavements," would leave Britain.

"It is a record for any modern picture sold at auction," a spokeswoman of Christie's said of the successful bid for the 1878 painting of a Paris street scene. The last time the painting was put up for public auction, in 1899, it was sold for about £500.

For the Record

Presidential elections will be held in Somalia Dec. 23, the home affairs minister, Ahmed Suleiman Abdallah, announced Sunday, according to Mogadishu radio, monitored in Nairobi.

The索马里島的parlement elected Ezechiel Abeba as prime minister Monday to succeed Sir Peter Kenilorea, who resigned last month following a quarrel over French aid.

The Soviet Union came from behind Monday and won the gold medal in the World Chess Olympiad, beating Britain, which won second place, and the United States, which won third.

FRANCE: Control of Key Firm

(Continued from page 1) in this decision," said the executive, who asked not to be identified.

"You cannot logically first announce that you are going to open up to a foreign supplier and then later suddenly decide that management control for the foreigner is out of the question," the official said.

The official government explanation was blunt. "It is better the company remains French," said a spokeswoman for Finance Minister Edouard Balladur, who is directing the government's denationalization program.

The conservative government had restricted to 20 percent the shares foreigners could own in 65 state-owned groups being returned to private ownership by 1991. But an exception was made for the telecommunications company shortly after the government of Prime Minister Jacques Chirac took power after the March 16 parliamentary elections.

The exception was based on the company's status as one that was badly ailing in need of new capital and, above all, new telecommunications technology.

French government officials said the decision now to restrict foreign ownership of the company was reached several days ago and was designed to avoid any appearance of "contradictions" in the government's denationalization policy.

Finance Ministry officials said that the government's new strategy was to encourage a French company, or possibly several acting together, to take over the telecommunications company and negotiate cooperation agreements with foreign companies.

They cited Matra, a state-owned electronics and arms maker, which last summer acquired the private telephone business of Compagnie Générale, representing about half of the telecommunications company's total sales, and Jeumont-Schneider, which is part of Schneider SA, a privately owned industrial holding company.

A Matra spokesman said Monday that he was not aware of any such plans. "Our business is electronics and the private telephone business, but public telephone switching equipment is not our line, which is what we have always said."

Shortly after the elections, AT&T-Philips, Siemens and Ericsson were asked by government officials to submit proposals for taking over Compagnie Générale, a subsidiary of ITT Corp. of the United States that was nationalized by the previous Socialist government in 1982. Compagnie Générale reported a 1985 loss of 200 million francs (about \$31 million at current exchange rates) on sales of 2.7 billion francs.

"I understand the decision," said Kari-Axel Linsell, director of European marketing for Ericsson, during a telephone interview from Stockholm. "What is important, however, is not the 20 percent but all the terms of technology and transfer and financing."

The flavour of an island in a single malt.



Visiting New York City?

Gramercy Park Hotel

Distinguished 500 room hotel with excellent

Restaurant, Cocktail Lounge, Room Service and Piano Bar.

Overlooking Gramercy Park with newly decorated rooms.

Singles \$90-100

Doubles \$95-105

Suites \$125-200

Group rates and attractive

monthly rates available.

Call Gen. Mgr. Tom O'Brien

(212) 475-4320

Telex 668-755

Cable GRAMERCY

21st St. and Lexington Ave.

New York, NY, USA, 10010

or call your local Utell office.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Los Angeles, California 90049, Dept. 21, U.S.A.

100 N. Sepulveda Blvd.

Gandhi Vows Punjab Plan; 10 More Die In Violence

By Richard M. Weintraub
Washington Post Service

NEW DELHI — Ten more persons were reported killed Monday in the state of Punjab, and Prime Minister Rajiv Gandhi faced hostile questioning in Parliament over the murder Sunday of 22 bus passengers in Punjab.

He promised a new plan of action for Punjab by Tuesday.

At least six of those reported killed Monday apparently were Sikhs, victims of the violence that has pitted militant against moderate Sikhs for the past three years while occasionally spilling over to affect Punjab's Hindu community, as was the case in Sunday's attack.

In that incident, the police said Monday, 15 passengers were killed on the bus by four armed men, and seven others were shot as they tried to escape in nearby fields.

Earlier reports said 24 persons had died, but two of those counted as dead were seriously wounded passengers taken to a hospital.

Most of those killed Sunday were Hindus, although at least one was a clean-shaven Sikh.

A hand-written note left on the bus said the attack was carried out by a group called the Khalistan Liberation Force in revenge for the deaths of four Indians killed recently by security forces.

The gunmen escaped on motor scooters driven by accomplices following the bus, according to survivors quoted by news agencies.

Prime Minister Gandhi met early Monday with senior officials from Punjab. He faced pointed questions in Parliament, mostly from the opposition but some from within his own party.

Mr. Gandhi promised a plan of action for the Punjab by Tuesday, but he said he would not renege on the agreement signed more than a year ago with the state's moderate Sikh-led government.

He has been unable to create conditions to carry out that accord.

In addition, analysts said that the defeat of moderate Sikhs in elections Sunday for control of Sikh temples had raised doubts about whether the state leadership could push the accord through.

The temple management committee is a powerful body in the Sikh community, wielding great political influence.

Several cities and towns in Punjab were closed Monday after militant Hindus called for strikes to protest attacks by Sikhs, who form the majority in Punjab.



MOLTEN CLOSE-UP — Curious Hawaiians get a look at the lava from Kilauea volcano that overran the Kalapana Highway as it rolled toward the ocean. The seven-mile, waist-high flow destroyed nine houses and on Monday was threatening five more.

Unrest Widens as Haiti Limp Toward Democracy

By Margot Hornerblower
Washington Post Service

PORT-AU-PRINCE, Haiti — After the first free elections in nearly three decades, 60 men and women had come from all corners of this impoverished island to undertake the task of writing a new constitution.

But when they arrived Wednesday morning, the room in the whitewashed Legislative Palace where they were to start work was unavailable. Listlessly, they stood on the steps of the palace for three hours in the midday heat. Finally taking their places, they discovered that there were no copies of the draft documents on which they were to work.

"This is nuts," said a delegate, Jean Adler Bassin, as proceedings dragged on into the night over a seal contested by two candidates. Ten months after the fall of the brutal Duvalier dictatorship, Haiti is stumbling toward democracy. Its provisional military government, which was handicapped by President Jean-Claude Duvalier before he was overthrown, is run by a lieutenant general who says he wants nothing more than to step down and become known as "Citzep Henri Namphy."

Political parties have proliferated and now number about 70. Freedom of the press is such that when General Namphy's mother was insulted on the radio recently, the government did not think.

Nonetheless, the languid pace of political change has ignited a feverish impatience among the hungry and illiterate masses of this Caribbean nation, the poorest country in the Western Hemisphere.

Presidential elections are not scheduled until November 1987, with the president to take office on Feb. 7, 1988, the second anniversary of Mr. Duvalier's overthrow.

A crippling strike, angry street demonstrations, school boycotts and an incipient tax

revolt in the countryside have led to fears that the democratic process could be thrown off course. In a speech Nov. 12, General Namphy warned that the Haitian Army was "ready to face the people are unhappy. There is a hardening on both sides, by the masses as well as by the government, which sent tanks into the streets during the strike.'

— Hubert de Ronceray,
Presidential candidate

choke at birth any armed attempt threatening public order and the democratic institutions now in gestation."

Five days later, transportation workers called a strike in an effort to force the government to prosecute a soldier who had killed a truck driver in an argument. A coalition of leftist groups that advocates an overthrow of the government organized a general strike, shutting down schools and factories for five days.

To help alleviate the economic distress that has fueled the unrest, the United States has sharply increased aid to Haiti. At least \$100 million in U.S. aid is expected for fiscal year 1987, including \$4 million for nonlethal military equipment.

The U.S. ambassador to Haiti, Branson McKinley, said recently in a speech: "General

Namphy has earned the confidence of the Haitian people and the international community by his sincere commitment to build democratic institutions and hand over power to elected successor."

But Hubert de Ronceray, a sociologist and a presidential candidate for the moderate Mobilization for National Development Party, said that despite the calm of the past week, it was probable that the government would fall.

"The people are unhappy," he said. "There is a hardening on both sides, by the masses as well as by the government, which sent tanks into the streets during the strike."

According to Mr. de Ronceray and other Haitians, the discontent is focused on the government's failure to hunt down many former leaders of the Tononos Macounes, the Duvaliers' secret police militia, who are thought to be responsible for the murder of more than 10,000 Haitians.

Plain misery, however, fuels much of the popular anger. On the streets of the capital, teen-age girls beg with glazed eyes. Men open manhole covers and bathe in the sewers.

The unemployment rate is 60 percent, and per capita income is about \$300 a year.

Georges Salomon, a former foreign minister, said he saw no danger that the government would be overthrown.

"A few million dollars, well-placed, can calm the hunger and misery," he said. But the unrest will continue, he predicted, because "certain opposition groups think they can profit from the chaos."

"The elections will be free," Mr. Salomon added, "but free for everybody to cheat."

However unpopular General Namphy's government may be, no opposition leader has captured the public imagination. Even the government's most vociferous critics fear that a change could bring a more repressive regime.

Gorbachev's No. 2 Softens A Hard Line

By Gary Lee
Washington Post Service

MOSCOW — Yegor K. Ligachev, the senior Politburo member whose name has become a synonym for hard-line Kremlin politics, has spent the past month defending his own reputation as the ruling body's leading conservative and guardian of Soviet orthodoxy.

The Soviet Union's chief ideologist has struck Western Kremlinologists as a brake on the pace of economic and social change advocated by the Soviet leader, Mikhail S. Gorbachev.

But lately, Mr. Ligachev has shown a willingness to liberalize Soviet arts and to embrace Mr. Gorbachev's social experiments with gestures of political support that appear to endorse the new Soviet leadership's mandate for far-reaching reforms.

Widely regarded as the most powerful figure in the Soviet Union behind Mr. Gorbachev, Mr. Ligachev, 66, assumed the leadership of the country during Mr. Gorbachev's visit last week to India.

He has already stocked some Soviet ministries and the influential Central Committee staff with enough recruits from his native Siberia to pose a serious challenge to some of Mr. Gorbachev's more controversial initiatives.

But in a Nov. 6 speech before Kremlin leaders, Mr. Ligachev reiterated Mr. Gorbachev's calls for broadening social democracy, supported his program of economic and social "reconstruction" and echoed his pledge to pursue a dialogue with Washington following the Reykjavik meeting.

Mr. Ligachev also has demonstrated a personal role in the more liberal Gorbachev policies with his apparent support of "Repenance," the anti-Stalinist film that impressed the Moscow intelligentsia as a signal of liberalization in the arts by treating the once-taboo subject of the dictator's repression. It was reportedly Mr. Ligachev who pushed the film through the censors.

Mr. Ligachev further identified himself with the Gorbachev style and policies during a mid-November trip to Finland that left Finnish officials describing him as "open."

Mr. Ligachev's support for Mr. Gorbachev comes amid attacks by the Soviet leader against the so-called "resistance of the foot-soldiers," or opponents of change within the Communist Party.

Both men were elevated to the Politburo by the former Kremlin leader, Yuri V. Andropov, and Mr. Ligachev's moves are viewed by some Western diplomats in Moscow as evidence of new cooperation.



Detention by Romania Said to Undermine UN

By Lisa Schlein
Special to the Herald Tribune

GENEVA — United Nations diplomats are concerned that the detention of a Romanian diplomat by his government could undermine the organization's independence.

Liviu Bota, 49, director of the UN Institute for Disarmament Research, has been prevented from leaving Romania since he was recalled by his government for consultations on Dec. 24, 1985.

"While Liviu Bota's human rights are of concern, the larger issue is the independence of the UN secretariat," said Richard Butler, the Australian delegate to the UN for disarmament.

Romania has spurred requests by the secretary-general, Javier Pérez de Cuellar, to permit Mr. Bota to return to Geneva. Bucharest contends that Mr. Bota resigned his UN post and accepted a position in the Romanian Foreign Ministry.

Mr. Bota has denied this.

Mr. Bota's recall to Romania has left the disarmament research institute "unable to do its job," said Mr. Butler.

"More importantly," he said, "it's raised the terrible prospect of the UN secretariat being leaned on by countries and being told what to think, what to write and what to report."

Another diplomat, who also asked not to be named, said that the Bota affair "questions the authority of the secretary-general."

In mid-November, 10 countries

submitted a resolution to the Political Committee of the General Assembly that asked Romania to authorize Mr. Bota's return to Geneva. During the debate, the chief Romanian delegate to the UN, Teodor Marinescu, accused Mr. Bota of espionage.

Mr. Butler said many people were outraged at the charge.

After intense lobbying the Romanians succeeded in adding to the resolution two amendments that strongly implied that Mr. Bota was a spy. This forced the sponsors of the resolution to vote against it in its amended form.

The Romanian government has not charged Mr. Bota with espionage nor have any judicial proceedings been initiated against him.

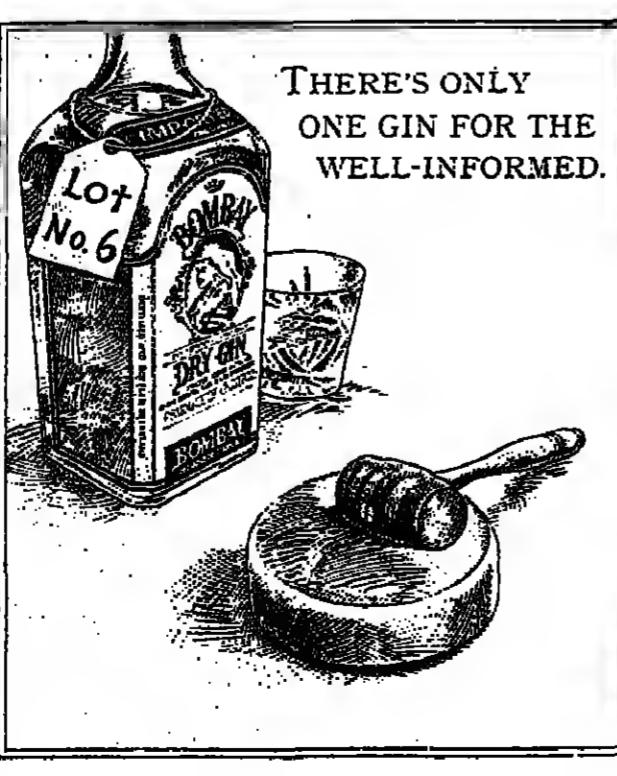
When Mr. Bota's contract expires at the end of this year, he will no longer be under UN protection.

Mr. Bota's wife Sandra, who lives in Geneva, broke her silence on the affair, saying:

"Someone has to defend my husband. I want to explain, to cry out that my husband is innocent of this accusation which is violent, cruel, unrealistic."

Mr. Bota said that before her husband was recalled to Bucharest, Romanians made inquiries at the disarmament institute to see whether they could name another Romanian to succeed her husband as director.

"I think that somebody wanted to have his post," Mrs. Bota said. "I think they misjudged the situation."



Latin Leaders Walk Tightrope on Rights

Amid Pressure to Avenge Junta Abuses, New Civilian Presidents Seek Stability

By Bradley Graham
Washington Post Service

MONTEVIDEO — When Uruguay installed a popularly elected president last year, ending 12 years of military rule, the move was widely hailed as a model transition from dictatorship to democracy.

But recently, that quandary did not exist in the revolving-door politics of many Latin American nations.

Latin America: how to balance the more imperative of accounting for past injustices against the political instability in times of domestic political turmoil, especially to combat subversion, which is usually seen as international Communism.

Until recently, that quandary did

not exist in the revolving-door politics of many Latin American nations. Military juntas came and went, and when civilians took over at governing, they considered it prudent not to look back.

President Raúl Alfonsín of Argentina set a precedent by moving quickly after his election in 1983 to try former junta members and lower-ranking officers for crimes against humanity. Security forces had kidnapped and killed at least 9,000 people in a campaign against subversion.

In Brazil, where the military retains considerable power after carefully managing a gradual return to democracy after 21 years of junta rule, the armed forces are deeply involved in the debate on a new constitution. They have made it clear that they want to maintain their control of internal security.

In countries that are still polarized by internal warfare, the military also continues to enjoy a large share of power.

In Colombia, a long-standing civilian democracy, army autonomy has been reinforced as leftist guerrilla activity persists.

In Peru, President Alan García Pérez has moderated his protection of human rights, giving the armed forces more room in combat Maoist-inspired guerrillas.

In Uruguay, the Tupamaros guerrillas have said they intend to operate only within a political framework. But they warned in July that they would adopt a "new position" if the government and the public became "hostages to the military."

President Julio María Sanguineti has not ordered trials on abuses by the former military government.

He proposed several months ago that amnesty be granted to the military to end the divisive human rights debate before it led to a "death or act of violence."

Mr. Sanguineti, a pragmatic politician who was himself barred from political activity for eight years under military rule, is aided by two factors that distinguish Uruguay's case.

The military did not leave office disgraced, as Argentina's did after losing to Britain in the 1982 Falklands war.

And although more than 8,000 leftist were imprisoned and most of them tortured during the Uruguayan repression, a total of 73 guerrillas died in custody and 168 disappearances were left unresolved, a fraction of the number in Argentina.

But opposition parties are not willing to forgive everything. They voted down Mr. Sanguineti's amnesty motion, arguing that a democracy built on a comprehensive pardon is flawed.

In a brief announcement in October, 19 retired generals warned that bringing any officer to trial would reduce Uruguay's ability to combat subversion, "leaving the population defenseless and granting security to the Marxist subversive movement."

It is widely speculated that a constitutional crisis could be triggered by a Supreme Court decision on whether cases against the armed forces belong in military or civilian courts.

Survivors and relatives of the dead and missing have brought 38 cases before Uruguayan courts. Several dozen military and police officers stand accused.

The Beverly Rodeo Hotel, located in the heart of the Rodeo Drive shopping area, offers a unique blend of luxury and convenience. The hotel features 150 guest rooms, each equipped with a king-size bed, a private balcony, and a spacious bathroom. The lobby is elegantly decorated with marble floors and a grand staircase. The hotel also features a restaurant, a bar, and a fitness center. The Beverly Rodeo Hotel is conveniently located just steps away from the famous Rodeo Drive, making it a perfect base for exploring the area's many shopping and dining options. Whether you're here for business or pleasure, the Beverly Rodeo Hotel is the ideal choice for your stay in Beverly Hills.

The Beverly Rodeo Hotel, located in the heart of the Rodeo Drive shopping area, offers a unique blend of luxury and convenience. The hotel features 150 guest rooms, each equipped with a king-size bed, a private balcony, and a spacious bathroom. The lobby is elegantly decorated with marble floors and a grand staircase. The hotel also features a restaurant, a bar, and a fitness center. The Beverly Rodeo Hotel is conveniently located just steps away from the famous Rodeo Drive, making it a perfect base for exploring the area's many shopping and dining options. Whether you're here for business or pleasure, the Beverly Rodeo Hotel is the ideal choice for your stay in Beverly Hills.

The Beverly Rodeo Hotel, located in the heart of the Rodeo Drive shopping area, offers a unique blend of luxury and convenience. The hotel features 150 guest rooms, each equipped with a king-size bed, a private balcony, and a spacious bathroom. The lobby is elegantly decorated with marble floors and a grand staircase. The hotel also features a restaurant, a bar, and a fitness center. The Beverly Rodeo Hotel is conveniently located just steps away from the famous Rodeo Drive, making it a perfect base for exploring the area's many shopping and dining options. Whether you're here for business or pleasure, the Beverly Rodeo Hotel is the ideal choice for your stay in Beverly Hills.

The Beverly Rodeo Hotel, located in the heart of the Rodeo Drive shopping area, offers a unique blend of luxury and convenience. The hotel features 150 guest rooms, each equipped with a king-size bed, a private balcony, and a spacious bathroom. The lobby is elegantly decorated with marble floors and a grand staircase. The hotel also features a restaurant, a bar, and a fitness center. The Beverly Rodeo Hotel is conveniently located just steps away from the famous Rodeo Drive, making it a perfect base for exploring the area's many shopping and dining options. Whether you're here for business or pleasure, the Beverly Rodeo Hotel is the ideal choice for your stay in Beverly Hills.

The Beverly Rodeo Hotel, located in the heart of the Rodeo Drive shopping area, offers a unique blend of luxury and convenience. The hotel features 150 guest rooms, each equipped with a king-size bed, a private balcony, and a spacious bathroom. The lobby is elegantly decorated with marble floors and a grand staircase. The hotel also features a restaurant, a bar, and a fitness center. The Beverly Rodeo Hotel is conveniently located just steps away from the famous Rodeo Drive, making it a perfect base for exploring the area's many shopping and dining options. Whether you're here for business or pleasure, the Beverly Rodeo Hotel is the ideal choice for your stay in Beverly Hills.

The Beverly Rodeo Hotel, located in the heart of the Rodeo Drive shopping area, offers a unique blend of luxury and convenience. The hotel features 150 guest rooms, each equipped with a king-size bed, a private balcony, and a spacious bathroom. The lobby is elegantly decorated with marble floors and a grand staircase. The hotel also features a restaurant, a bar, and a fitness center. The Beverly Rodeo Hotel is conveniently located just steps away from the famous Rodeo Drive, making

INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

Cease-Fire for Filipinos

President Corazon Aquino has followed up her political triumph in firing her ambitious defense minister by securing the government's first agreement for a cease-fire with the Communist guerrillas in the 17 years of their rebellion. This gives her a double win to confound the doubters, and leaves her with welcome momentum as she heads into the next phase of her struggle.

Mrs. Aquino can for president promising to try to reconcile the insurgents — who are carrying on warfare in four-fifths of the provinces, wield political control in one-fifth of the villages and can bring immense crowds into the streets in the cities. This is the base on which they have been demanding to take over national power and to make over national life in their Marxist image. President Aquino, however, is not without her own assets: the nationwide standing she demonstrated at the polls; the support for Philippine democracy that she has generated from the United States, Japan and other friendly countries; her recent show of political steel and skill in dealing with threats of a coup. When, under the urging of her loyal but impatient military, she gave the guerrillas a week to come to cease-fire terms, they obviously decided she meant business.

In the talks that produced a 60-day truce,

the government was eager to obtain the insurgents' respect for its authority, while the insurgents sought the government's acceptance of their legitimacy. The outcome was a compromise whose dimensions and durability will no doubt be severely tested from the moment it takes effect. If a rugged but acceptable form of coexistence can be made to work between two well armed forces harboring a deep mutual hostility, then the harder part — talk on the Philippine political future — can begin.

As the elected head of an open democratic government, Mrs. Aquino has the right and duty to demand that the insurgents join the political process. Those whose alienation was triggered by the offending policies of former President Ferdinand Marcos may respond to the more appealing policies of President Aquino. But it may be different for those whose rebellion is inspired by the vision of a very different, Marxist society. There are, in fact, no successful models for the accommodation she is attempting to bring about. Her challenge will be to show openness and magnanimity to those who are prepared to live in a democratic house, in order to prepare herself for further stern tests against those who are not.

— THE WASHINGTON POST.

A Hard Job for Kinnock

Neil Kinnock, leader of Britain's Labor Party, has a difficult trip ahead of him. His party has pledged to ban nuclear weapons from Britain, both its own and America's, if it should come to power in the election that will probably be held next year. The purpose of his visit to the United States this week is to persuade Americans that a Britain divesting itself of nuclear arms would remain a reliable ally and a serious deterrent to Soviet adventuring. He is unlikely to succeed in any part of that mission.

Americans, contrary to the view widely entrenched on the European left, do not love nuclear bombs. The bombs are hideous weapons that give pause to even the most callous commander of any country's armies. They have one purpose, to keep peace, and they have kept it for more than four decades in Europe, a continent that suffered grievously in two world wars.

It is possible to defend Europe without nuclear weapons. Many military officers, including Americans, have said so. But to achieve the same balance, the Western allies would need many more men under arms and much more money. Mr. Kinnock will speak to that point. He will argue that as prime minister in a Labor government he would cancel the Conservatives' plans for new Trident missile submarines and use the money to augment conventional forces. But the opposition to all military spending has been rising in the Labor Party. It is altogether implausible that Mr. Kinnock in

— THE WASHINGTON POST.

Other Comment

An Impaired Ability to Govern

The sale of American arms to Iran, compounded by the fact that the profits made from it have been sent to the "contras" fighting the Sandinist government in Nicaragua, is steadily escalating into a major White House crisis and we are possibly seeing only the tip of the iceberg. It will not be surprising if the involvement of [White House Chief of Staff Donald] Regan is proved, and he is forced out of office.

During the past six years President Reagan had ridden a crest of popularity, but the mass of information that is steadily being uncovered is bound to affect him. When the various committees of Congress begin their investigations, they will certainly dive into the matter with a vengeance. This might not hurt Mr. Reagan as much as it did Richard Nixon, but his ability to govern will be jeopardized. If that happens, he will lose his ability to negotiate arms control proposals with the Soviet Union, the financial backing for his Strategic Defense Initiative and his strong stand against Congress in matters concerning trade protectionism.

— The Nation (Bangkok).

A New Phase in Lebanon

Lebanon has been in a state of chaos for so long now that new developments in that unhappy country are apt to be missed, or to be ignored as just another bout of mindless factional violence. But what is happening now is not part of the normal fabric of anarchy that passes for life there. The fighting around Sidon, matched by battles in the refugee camps in the Beirut suburbs, is the beginning of a new phase. The fighters of the Palestine Liberation Organization, loyal to Yasser Arafat, are back, and by strength of arms have transformed the situation.

The gradual return of the PLO forces was the result of a deliberate policy once the attempt to reach a political solution founders. Mr. Arafat and King Hussein were within reach of an accord. Mr. Arafat was ready to recognize Israel's "right to exist," and finally to eschew violence. Tougher men in the PLO hierarchy, fearing that such an agreement would relegate the Palestinians to the status of second-class citizens in a Jordan-dominated federation, put a stop to their leader's diplomacy. Mr. Arafat was forced to go back on what he had already

agreed and give the orders for a new military drive. The PLO fighters were sent back to southern Lebanon and to Beirut itself, the city from which they had been forced to withdraw by the Israelis in 1982.

The result is unlikely to be a resolution by Syria or Israel to leave well alone. Rather, both will try harder to make their policies work. And, in the Middle East, that brings the risk of confrontation closer.

— The Independent (London).

Pressure Persuades Barclays

Barclays' wise decision to pull out of South Africa is one of the most spectacular successes ever won by pressure group politics in Britain. When Anti-Apartheid began its campaign in 1969 to persuade the bank's customers to switch their accounts, it was dismissed as quixotic: a small rabble of idealists presuming to change the investment policy of a powerful multinational corporation. But slowly a moral climate was created in which such pillars of circumspection as the Methodist Church, the universities and even some Tory-led local authorities felt obliged to switch. Anti-Apartheid estimates that Barclays lost accounts with an annual turnover of £7 billion.

It has become fashionable on the right to complain about pressure groups [but] there is no reputable doctrine that requires representation in Parliament as an admission ticket to the democratic process.

— The Observer (London).

Funding to Combat AIDS

The World Health Organization will have to do more than just collect statistics on the disease. It will have to marshal funding for diagnostic equipment and treatment in countries that do not have the wherewithal to meet the threat.

Countries which have already been hit hardest have made it compulsory for blood donations to be screened for AIDS. Such screening requires equipment which developing countries can't afford but which must be made available to them if the fight is not to stop short at their borders.

Malaysia, along with other countries, must meet its responsibilities to itself and the world. Given the situation, there should be no delay in seeking assistance.

— New Straits Times (Kuala Lumpur).

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

LEE W. HUEBNER, Publisher

PHILIP FOISIE, Executive Editor • WALTER WELLS, Editor • SAMUEL ABT, KATHERINE KNORR, and CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT B. WHITCOMB, Financial Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages • RENE BONDY, Deputy Publisher • ALAIN LECOURT and RICHARD H. MORGAN, Associate Publishers • FRANCOIS DESMAISON, Circulation Director • ROLF D. KRANEPUHL, Advertising Sales Director. International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel: (33) 46.37.93.00. Telex: Advertising, 61395; Circulation, 61232; Editorial, 612718; Production, 630598. Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Cemetery Rd., Singapore 0211. Tel: 62-7768. Telex: RS56288

Managing Dir. Asia: Malcolm Glen, 50 Gloucester Road, Hong Kong. Tel: 5-3610616. Telex: 61170

Managing Dir. U.K.: Robin MacKintosh, 63 Long Acre, London WC2. Tel: 836-4902. Telex: 26009

Gen. Mgr. W. Germany: W. Laubach, Friedrichstr. 15, 6000 Frankfurt/M. Tel: 069/726753. Telex: 416721

Pres. U.S.: Michael Corry, 830 Third Ave., New York, N.Y. 10020. Tel: (212) 752-3800. Telex: 42715

S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 6137. © 1986, International Herald Tribune. All rights reserved. ISSN: 0294-3052.



The 'Contra' War Is Over, So Give Contadora a Try

By Pete Hamill

MEXICO CITY — No matter what else happens in the unraveling melodrama in Washington, one thing now seems certain: The Sandinistas have won their war against the "contras." The fighting will go on for a while. Soldiers and civilians will die; schools and granaries and bridges will be destroyed. But the goal of war is victory, this one is over.

It ended on that bleak Tuesday when Ronald Reagan and Edwin Meese walked into a briefing room to relate their awful tale of the diversion of funds from the Iran arms deal to the contra, or rebel, army. Almost certainly Mr. Reagan will not get another dime for his grimy Central American crusade. And on their own the contras cannot win. It's over.

Analysts in Mexico figure that there is enough money in the contra pipeline to sustain the killing for another year; much of that famous \$100 million has not yet been spent. The contras can make a few bloody publicity-relations raids into Nicaragua, they can pose for photographers while swinging from trees near Eglin Air Force Base and they can mount press conferences in Miami.

But the Democratic Congress will not vote them more money, and the wounded president will not risk losing everything by sending more secret funds to the rebels.

What President Reagan must do now, a middle-level Mexican diplomat said the other day after he had scanned the Washington stories on the front pages of the newspapers in Mexico City, "is to get out of the Nicaragua mess with grace."

This will not be easy. There are an estimated 15,000 contra soldiers camped in the privileged sanctuaries

of Honduras. They are essentially wards of the United States. Their leaders range from true democratic idealists to old Somoza killers, but they have at least one trait in common: They can count. The notion that they will continue fighting until the last dollar is spent can only provoke dark laughter. They and the money will almost certainly leave the battlefield together.

Their future is predictable. There will be fierce visits to the Cayman Islands. Contra leaders will peddle their anti-Communist martyrdom on grants from rightist foundations. Money will vibrate with defiant oratory. Back in the hills of Nicaragua and Honduras, a few lost platoons will fight on, reduced to a band of outlaws. The rest will drift back home or enter the permanent loneliness of ex-

ile. Friends and relatives will mourn the dead. Nobody in the United States will even learn their names.

The essential question now is whether Washington will learn any lessons from the disaster. Mr. Reagan committed a criminal sin: He allowed zealots to make policy, men whose self-righteous passions allowed them to break the law. From the beginning Mr. Reagan's Nicaragua policy was a combination of 1950s anti-communism and 1920s gunboat diplomacy.

Worse, the policy was informed by an unstates Anglo-Saxon contempt for the Catholic, Spanish-speaking, underdeveloped south. The Reagan people paid lip service to the efforts of the Contadora Group — comprising Mexico, Venezuela, Colombia, and Panama — to work out a regional settlement, but did everything possible to wreck the process.

Insisting that Central America was an East-West battleground, the hard men in Washington sneered at such local concepts as "national sovereignty," corrupted the governments of Honduras and Costa Rica, and broke the laws of the United States.

If there was one lesson of Vietnam and Watergate, it was this: Illegal or immoral policies contaminate even the best and the brightest. The Reagan people did not learn it.

Today the Contadora Group resembles one of downtown Mexico City's buildings damaged in the 1985 earthquake. The basic structure is intact; it needs only the will, the care and the grace of thoughtful men and women to return it to full usefulness.

The Reagan people should close the contra training camps, turn over the peace process to Contadora and abide by the results. These could involve the removal of all foreign military personnel, including Cubans and Americans, from the region; amnesty for all guerrilla fighters; the neutralizing of Nicaragua on the Austrian model and the creation of a Central American Marshall Plan to repair the wreckage of war.

All these things should be done as quickly as possible for one simple reason: The contra war is over, and nobody else should die.

The writer, a novelist and veteran newspaper columnist, has recently been working with the English-language Mexico City News. He contributed this comment to the Los Angeles Times.

Both Sides Need Foreign Investment in the LDCs

By J. William Middendorf 2d

The writer is U.S. ambassador to the European Communities.

To encourage savings flows to the LDCs, we have to work bilaterally and multilaterally toward a more liberal, market-oriented international investment system in which the principles of national and Most Favored Nation treatment for foreign investors are guaranteed. Foreign investors should be treated as favorably in like situations as domestic enterprises, and foreign investors from all nations should be treated equally.

These flows will not come unless there is adequate protection of an investor's property. Unfortunately, the post-World War II period has seen a sad history of expropriations of foreign investments by the LDCs: discouraging job-creating investments and contributing to massive capital flight — an estimated \$130 billion from Latin America alone.

Basic LDC structural reforms are called for, including the establishment of more efficient domestic capital and equity markets; reduction of onerous foreign exchange controls; institution of growth-oriented tax reform; privatization through sale, liquidation or debt-equity swaps of cash-draining public enterprises which often control more than half of national production.

With an improved investment climate, Morgan Guaranty Trust Co. estimates that five of the leading debtors — Brazil, Mexico, Argentina, Chile and the Philippines — would have a \$2-billion a year potential for debt-equity swaps. They have already swapped roughly \$3 billion of their debt, according to Morgan Guaranty. The White House Task Force on Project Economic Justice, which I

OPINION

The Prospect for a Shaken Presidency: Lost Opportunities and Increased Risk

By Lawrence Eagleburger

This is the first of two articles.

NEW YORK — Arms sales to Iran, or the funding of the "contra" from the proceeds, do not a Watergate make. Nor is Lieutenant Colonel Oliver North the functional equivalent of a John Dean or a Gordon Liddy. But that is small consolation for those of us who saw at first hand how difficult it was to manage foreign relations in the Watergate era of presidential weakness and who have the queasy feeling that we may be about to relive the experience.

Much damage has already been

done. To describe terrorism policy today would be like describing the second voyage of the Titanic — nonexistent. President Reagan's policy of support for the "contra" may soon be in the same shape. Nor is the psychological damage insignificant: European allies are agitated, moderate Arab states confused and frightened, and the Soviets gleeful. Were this all, the administration had to contend with it would be bad enough, but manageable with skillful diplomacy and steady executive leadership.

But it is apparent that the bloodlet-

ing Reagan-haters may find joy in this conclusion, but I cannot, for it will surely be further revelations of ineptitude and misconduct. Congress will hold hearings for months to come. Pandemic in and out of Congress will call for legislation that, in order to assuage that "this cannot happen again," will further reduce the power of the president to manage foreign affairs.

It is hard to see, in these circumstances, how it is possible for the president to avoid both the appearance and the reality of weakness as he enters his final two years in office.

— The Washington Post.

speech poking fun at the president. Since Mr. Arbatov seldom utters a word without the permission of his bosses, we can assume that mouths in Moscow are already watering.

If the Iran affair proves to be as debilitating as I fear, you can bet that smirking comments will turn to destabilizing actions. The Soviet propaganda machine will work overtime, particularly in Western Europe and the Middle East, to convince neutral and friendly governments that Washington is not the place to look to for steadiness and sophistication — a not unreasonable proposition.

And those in Congress who oppose cuts in defense will have their way, thereby saving off the limb the contras were persuaded to climb out on, an escalation of Cuban and Soviet support for the Sandinistas will not be far behind.

The possibilities are legion and the lesson clear: A president with his foreign policy apparatus in shambles, hard-pressed at home to defend his actions and unable to react decisively to new foreign challenges, is an open invitation to Moscow to embark upon adventures that it would otherwise be reluctant to pursue.

We should not be surprised, however, if we see a different approach on arms control. Mr. Gorbachev may decide that now, with Mr. Reagan badly in need of a success, is the time to demonstrate "flexibility" in the hope that he can lure a heavily pressed president into a return to something like the Reykjavik formula, that Mr. Gorbachev so unwisely let slip through his fingers in September. Domestic and allied reactions to the Iceland summit may have swayed Mr. Reagan and his advisors to the point that they cannot be lured back to the sweepingly destabilizing formulations they came so close to accepting there, but the Soviets have little to lose by trying.

Unless you are a released hostage, it is impossible to find any redeeming quality in the Iraq adventure. If you are a moderate Arab, it is hard to imagine how the fallout from the folly could be worse. Without exception, the regimes close to the United States in the area have looked upon Ayatollah Khomeini as the greatest threat to their continued existence. They have done what they could to prop up a faltering Saddam Hussein in Baghdad, recognizing that an Iranian victory in the Iran-Iraq war would open the floodgates of Moslem fundamentalism and Iranian aggression.

They thought this was a view Washington shared, until Washington was caught with its hands in the cookie jar. It is hard to argue that the last dollar and a few Hawk batteries are "defensive" weapons, no matter what Washington says. But what is important is the psychological impact of support for Iran.

American credibility is nonexistent and soundly to be regained during the life of the administration. And with it probably goes whatever chance there might have been of moving the Middle East peace process forward. In a more negative sense, and putting aside whatever military and psychological impacts American actions may have on Begin.

Today the Contadora Group resembles one of downtown Mexico City's buildings damaged in the 1985 earthquake. The basic structure is intact; it needs only the will, the care and the grace of thoughtful men and women to return it to full usefulness.

OPINION

This Mess Calls for a Special Prosecutor

By Anthony Lewis

BOSTON — In the political turmoil of the last 20 years the press has often been accused of destroying the president. The truth in every case has been what we see so clearly now: The president destroyed himself.

In each case the fall has come the same way. A president gripped by the sense of his own righteousness and power brushed the rules aside to have his way. Lyndon Johnson sent 500,000 men to Vietnam, after campaigning against a wider war, on the pretext of a Tonkin Gulf incident that did not happen. Richard Nixon ordered the secret bombing of Cambodia, and to cover his tracks went down the road of lies and lawlessness. The roots of Ronald Reagan's disaster lie in Nicaragua. He was obsessed by the desire to overthrow the Sandinist government. To that end he aided terrorists. He mocked international law and the constraints laid down by Congress. The end justified the means.

All that makes it laughable to suggest that responsibility for the funneling of Iranian money to the "contras" stopped with Lieutenant Colonel Oliver North.

The president laid down the policy of aiding the contras by any means. If a subordinate took the policy seriously, the president is responsible, whether or not he knew the details. If a subordinate showed contempt for the checks and balances of American government, he was only following the president's lead.

Of course it would be interesting to know more about Oliver North. For he must be one of the most amazing performers to hit Washington in years: a regular superman. All on his own this Marine Corps colonel made the intricate financial arrangements to get millions of dollars' worth of weapons from United States stocks and have the money repaid. He went to the armories and packed all those weapons into crates: 2,008 anti-tank missiles and 235 anti-aircraft missiles. He arranged the shipping and the security.

He did all that without anyone in the Defense Department knowing a thing about it, or anyone in the White House except, vaguely, John Poindexter. That is what we are supposed to believe.

The new White House strategy for dealing with the crisis is reminiscent of that Watergate coming: "We get a degree of candor but still, by all signs, with the aim of keeping the cap on the bottle."

The appointment of a review commission to study the operations of the National Security Council staff is a serious step. Especially with Brent Scowcroft, a respected former national security adviser, as a member, it could do much to plumb the corruption of that institution.

But no one can believe that the facts

The truth, or much of it, will come out eventually.

cutter is that there may be a conflict between the political attachments of high Justice Department officials and their duty to enforce the law.

Few have had a closer attachment to a president than Mr. Meese. There can be no confidence that the law will be enforced in this manner until a special prosecutor is appointed. If Mr. Meese tries to stonewall about that, he will be making a fatal mistake. Watergate surely taught everyone that damage-limitation tactics only intensify public skepticism.

The unraveling process will go on. Con-

gress and the press will be digging. It is better for the administration to face, at once, the pain of a special prosecutor.

The administration's real worry must be the Nicaragua story, for there Mr. Reagan is on the line. He called the "moral equal of our founding fathers." He ignored strong evidence of illegal links between officials and so-called private aid to the contras after Congress cut off U.S. funds.

Colonel North was named long ago as a manager of supposedly unofficial help for the contras. Since the supply plane was shot down in Nicaragua and Eugene Hasenfus captured, there has been much other evidence of connections — and of terrorist involvement.

Mr. Hasenfus has identified his boss as Luis Posada, who was convicted in Venezuela of blowing up a Cuban airliner with 73 people aboard.

The truth, or much of it, will come out eventually. That is the way America works. As it comes out, it will burn. Presidents who consort with terrorists and ignore the law seal their own fate.

The New York Times

Improved China-Soviet Relations Can Benefit India, Too

In his opinion column entitled "India: Gorbachev Will Have Some Explaining To Do" (Nov. 24), my friend S. Nihal Singh stated among other things: "The logic of a Chinese-Soviet rapprochement implies that the central axis in the Indian-Soviet relationship, a shared friendly relationship with China, is on the verge of disappearing." Consequently, Mikhail Gorbachev's journey to New Delhi "ought well be the beginning of the less amiable relationship."

During my long years in the Indian diplomatic service I do not recall any time when India's bilateral relations with the Soviet Union were directly influenced by the so-called "shared unhappy relationship with China."

As early as the late 1920s, Jawaharlal Nehru denounced foreign intervention in China, and in the 1930s he condemned Japan's aggression against that country. Since India became independent, friendship with the People's Republic of China has been one of the main pillars of India's foreign policy. At the Bandung Conference in 1955 it was largely through India's efforts that China acquired a measure of respectability throughout Asia and Africa, and it was India again which took the lead in pressing year after year, despite American displeasure, for China to be given its rightful place in the United Nations.

Even after the 1962 Chinese attack

against India, the Indian government refrained from playing the "China card" in order to take advantage of Chinese-Soviet discord, a policy which Prime Minister Rajiv Gandhi, too, has scrupulously upheld following the recent skirmishes on the border with China.

As far as I know of India's perception, normalization of Chinese-Soviet relations is as much in India's interest as the mending of India's own fences with the Chinese. A China which is neutral between the two superpowers will inevitably reduce its military and political involvement with Pakistan, just as a speedy Soviet withdrawal from Afghanistan will deprive the Pakistanis of the convenient excuse for obtaining excessive arms from the United States. Primarily it is Pakistan which continues to be India's main security concern, especially now that it is so busy making nuclear weapons in the basement.

If a meeting between Mr. Gorbachev, representing a new generation of Soviet leadership, and a youthful Mr. Gandhi with modern ideas could recreate the pre-1960s triangular amity with China, it would strengthen rather than erode India's friendly relations with Moscow.

MADANJEET SINGH,
Paris.

Ambassador Singh is adviser to the Indian government's delegation to UNESCO.



LETTERS TO THE EDITOR

Poland and the Holocaust

Your Nov. 8 feature, "Remnants: Poland's Jewish Survivors," attracted two letters in your Nov. 22 edition, to which I would like to respond.

One, from Elwood A. Rickless, takes exception to the use of the term "Nazi soldiers," claiming that its use indicates the infiltration of Orwellian newspeak into your pages. The term Nazism, Mr. Rickless argues, refers to members of a political party founded by Adolf Hitler.

Hence, the soldiers in question responsible for atrocities throughout Europe were certainly far from all Nazis.

Not so fast. As early as 1933, Hitler had eliminated all opposing political parties. The result, a year later, was totalitarian rule by the Nazi party, which subsumed the German state. Although they may not have been card-carrying members of the Nazi party, the German soldiers of the period were fighting under the direct auspices and dictates of the party. Thus there is no small measure of justification in referring to them as Nazi soldiers.

More serious is the letter from Peter Galeowski, who attempts to mitigate Polish complicity in the Holocaust by citing the large number of Poles who themselves were victims of the brutal Nazi occupation. "This challenges the underlying assumption of Polish-Nazi collaboration," he concludes.

An honest and frank assessment of

Polish complicity in the annihilation of nearly 3 million Jews need not, as Mr. Galeowski implies, rely on the problematic notion of "collective responsibility."

On the other hand, anyone familiar with the enduring and bitter history of anti-Semitism in Poland will realize that Nazi leaders had little to fear from resistance by the indigenous non-Jewish population to their plans for the "final solution" in Poland.

The specter of anti-Semitism has again played a key role in recent Polish history. There is the case of the anti-Semitic purges of the Polish Communist Party after the political disturbances of 1968. During the upsurge of Solidarity in 1980 and 1981, the Polish leadership tried to play on anti-Semitic sentiment as a way of siphoning off popular support from the movement for an independent trade union which "un-Polish elements" — Jews — were alleged to play a key role. In this respect, General Wojciech Jaruzelski and company were trying to draw on prejudicial sentiments that have historically gone hand in hand with resurgences of Polish nationalism.

Finally, there is the astonishing scene in "Shoah," Claude Lanzmann's monumental documentary, where elderly Polish villagers are asked if they "miss" the Jews who were deported from their town. The resounding "no" in response was both shocking and foreseeable.

RICHARD WOLIN,
Paris.

**Gathered In Like the Sheaves
Of a Ritual Family Harvest**

By Ellen Goodman

BOSTON — My friend went home for Thanksgiving. We were gathered in like sheaves, she says. It happens every year. A brother comes by plane, a cousin by car. Relatives are assembled to renew their annual pledge of genealogical members of the same clan.

This is the modern harvest. I tell my friend. Her family, like others, spends

MEANWHILE

most of the year scattered. They collect for Thanksgiving bearing bridge chairs and port-a-crib extra spoons and collective memories. It is not the excess of food on their table that signifies a holiday gathering anymore. It is the people who come together to share it and share each other. People who are a family.

Somewhere deep in the Census Bureau, there are computers that report

that single-person households are the fastest growing category in America. We live most of the year in small digits now: by ones, twos, threes.

The old and the young choose independence. Generations work in different occupations, retire to distant places. We cultivate privacy in modern America. Then we long for rituals of intimacy.

I am sure it was different in the day of the Pilgrims. They celebrated the first Thanksgiving as a whole community. There was no single-person household in Plymouth Colony. Families were taken for granted. But the community was something that sustained them.

At some point, Americans began to retreat from community. In the 16th century we described the family as the "haven in a heartless world." In cities, we sought a harbor in extended families.

Now these are subdivided. We live in nuclear families or none. More of us are on our own. We may have family names, but we have our own identity.

The definition of home has been reduced to Robert Frost's lines: "Home is the place where, when you have to go there, they have to take you in." It is an image of family as a last resort.

Yet we, the separtists, also share a primal desire to be part of a clan. In memory and mythology, we cherish an image of home and family, large and welcoming. We prefer to believe that home is where, when you want to be there, they want you.

It is this longing to be connected that brings us back to the people who have a legitimate title to our lives: mother, grandfather, cousin. It is this longing that sends us to the oral historians of our own families. It is the desire that makes us constantly recreate the circle.

Membership in an extended family is not required in America. Families who do not live within commuting distance of each other's emotions have to choose to renew their membership in a family or it will lapse.

We can only hold to the name of family when we actively celebrate ourselves, tell each other stories, and pass the sense of oneness onto our children. It is the traditions we constantly create that become the special glue to hold us together over time and distance.

My friend is not just a passive sheave being gathered to her clan. She is an eager part of this harvest. She went home for the reason we all go home: She doesn't want to become a stranger.

Washington Post Writers Group.

THE IRAN AFFAIR: Caught in the storm

U.S. Envoy to Italy Denies Ties to Iran Arms DealBy E.J. Dionne Jr.
New York Times Service

ROME — Maxwell M. Rabb, the U.S. ambassador to Italy, whose name has arisen in a court case involving the sale of arms to Iran, has emphatically denied that he discussed Iranian arms or hostages with anyone.

He specifically denied having discussed arms sales or the release of American hostages in Iran with a Saudi Arabian billionaire who arranged arms shipments to Iran for the Reagan administration. Mr. Rabb is a longtime acquaintance of the Saudi businessman, Adnan M. Khashoggi.

In an interview Sunday, Mr. Rabb said comments about his involvement in any aspect of the Iranian arms sales had been "misstatements and lies."

Mr. Rabb was responding to reports that the U.S. Customs Service had mounted a major "sing" operation against arms merchants dealing with Iran at the same time administration officials were secretly shipping weapons there.

Because of the sting operation, 17 persons were indicted last spring for involvement in illegal arms trading.

One of the defendants, Nico Minardos, said he had discussed the arms sale with Mr. Rabb at the American Embassy here.

Ronald Kessler, the author of a book on Mr. Khashoggi, said Mr. Khashoggi had spoken of a plan by Mr. Khashoggi to free the hostages at a



Maxwell M. Rabb

birthday party for the Saudi businessman in Marbella, Spain, on July 23-24.

Mr. Kessler said last week, "Rabb told me at Khashoggi's party that Khashoggi was coming up with an ingenious plan to free the hostages."

Mr. Rabb said Sunday that he attended the party and that he had spoken with Mr. Kessler. But the ambassador denied that they had spoken about a plan to free the hostages.

"That is not my style," Mr. Rabb said. "I just don't impart that kind of information."

Moreover, Mr. Rabb said he could not have discussed any plans by Mr. Khashoggi to sell arms or

see him. Mr. Rabb finally agreed to see Mr. Minardos and vaguely recognized him, perhaps from Mr. Khashoggi's birthday party, when he was escorted into his office.

The officials said that Mr. Minardos and Mr. Rabb exchanged pleasantries and that Mr. Minardos brought up the issue of Iran in vague terms.

He told Mr. Rabb of the need for the United States to make friends in the Iranian government and, according to the officials, also said he and some of his associates wanted to do business with Iran.

The officials said that Mr. Rabb replied by repeating the American government's policy stand against doing business with Iran and added that he thought the chances of any change in policy were remote.

Mr. Minardos then asked Mr. Rabb, according to this account, if the ambassador would let him know if there were any change in this policy.

Mr. Rabb said he would, and he asked Mr. Minardos to leave his address and phone number with the secretary. According to the officials, Mr. Rabb requested the information so that he could find out the identity of the man with whom he had just spoken. But the officials said Mr. Minardos left without leaving any information with the secretary.

The officials said Mr. Minardos never mentioned Mr. Khashoggi's name, nor did he identify what his business activities were or with whom he was associated.

After 4 Years, 'Contras' Fear a Defeat — in U.S.

By James LeMoine

New York Times Service

MIAMI — They have survived four years of parties and blunders, but leaders of the Nicaraguan rebels say they may now finally face defeat — not inside Nicaragua, but in a Washington political uproar beyond their control.

The three top officials of the main United Nicaraguan Opposition rebel organization have been meeting here to choose a strategy in light of the Iranian arms affair.

In interviews, the rebel leaders insisted they knew nothing of the scheme that provided them with supplies purchased with the profits from U.S. arms sales in Iran.

But they said that the furor had strengthened their opponents in Washington, weakened their backing in Central America and undermined their two greatest advocates and defenders: President Ronald Reagan and Lieutenant Colonel Oliver L. North.

It was precisely Colonel North's ceaseless efforts to help the rebels that could prove to be their undoing, the leaders said, insofar as the clandestine diversion of money appears to have been his plan.

After narrowly winning congressional support this year for renewed aid to their forces, rebel officials fear they will find few defenses in Congress in the weeks ahead.

"We have always had to fight two battles: one in Congress and one in Nicaragua," said Adolfo Calero Portocarrero, a director of the United Nicaraguan Opposition. "Just when we thought we had won the fight here, this has us."

Another leader of the rebels, who are known as "contras," said: "We may now be seen as

nothing more than the pet project of a lame duck president. If that's the way it is, we're finished."

The contras have survived other crises in the past, including major shake-ups in their internal command; a congressional ban on military aid, an international outcry over the mining of Nicaraguan harbors and charges of human rights abuses and corruption.

To weather their latest crisis, they will answer any questions Congress may pose. In return, they say, they will ask lawmakers to separate the issue of the Iranian arms sales from the merits of the rebels' fight in Nicaragua.

The reality is that Nicaragua is there and we are there to find a way of bringing democracy to the country," said Alfonso Robelo Callejas, one of three directors of the United Nicaraguan Opposition.

Congress shouldn't convert an internal problem into something that will have the greatest benefit for the Marxist in Nicaragua," he said, referring to the Sandinist government.

Mr. Calero, Mr. Robelo and Arturo Jose Cruz, the third member of the rebel triumvirate, said they had received cash donations from private sources but had never knowingly received cash from the arms sales to Iran.

An administration official asserted that the rebel directors were almost certainly telling the truth. The Iranian money probably went entirely to arms and transportation and did not enter the contras' bank accounts, he said.

Mr. Calero said he was informed earlier this year of a covert operation based in El Salvador to airlift supplies to the contras by the chief

American pilot of that program, William J. Cooper.

But Mr. Calero said he did not ask where the money or the supplies came

ARTS / LEISURE

The New Petticoat Power on Seventh Avenue

International Herald Tribune

NEW YORK.—A few seasons ago, young American designers were very flash-in-the-pan — here this season, gone the next. Now they have acquired credibility and staying power.

According to Kai Rottenstein, fashion director at Bloomingdale's: "Stores need new blood and they're ready to go to a limb, even extend credit to these young designers."

HEBE DORSEY

The reason is that established designers are perceived as a bit boring by our customers, who are looking for more new and individualistic statements."

Rottenstein sees the decline of the dollar as an incentive for American retailers to look more carefully into domestic resources. "Prices in Europe are unrealistic. Especially with these new European talents. People are not ready to experiment at \$1,000 a crack for designs they've never heard of." Other retailers, including Selma Weiser, whose Charivari stores relied heavily on exports, have expressed the same feeling — a dangerous one, because it could lead to fashion isolationism.

Meanwhile, young homegrown designers are also keenly sought after by Japanese entrepreneurs, who are making a quiet but sure,



Charlie Gert
Norbury, Osuna (far left):
N.Y.'s best crinolines?

Mario Testino
David Cameron: High arm-
holed paper-doll cut.

impact on Seventh Avenue. Besides Tomio Taki, who backs both Anne Klein and Donna Karan, the Kashiyama conglomerate, which supports Jean-Paul Gaultier in Paris, has recently supported both Marc Jacobs and Norbury and Osuna.

These new designers have small overheads and are able to deliver individualistic clothes at realistic prices. Sales volume rarely exceeds \$75,000 to \$1 million a year. Retail prices range from \$75 to \$800, for generally well to very well-made clothes.

There are six designers who seem to be set for continuing success:

Three are presented here, the others will appear next week.

DAVID CAMERON, 25, prosperous Los Angeles background. Father in construction business. Denies that he is backed by parents, saying it's a group of Los Angeles investors.

Tall, handsome, blue-eyed and blond. Typical LA surfer type. Wanted to be rock musician. Came to New York five years ago after winning fashion design contest. Appointed with Michael Wollbach. Showed first New York collection three seasons ago.

Attended by Women's Wear Daily publisher, John Fairchild, Cameron's first show came in with a bang. Influenced by Chicano or Los Angeles, with ruffled shirts and full denim skirts. Second wild show inspired by California surfers not well received. Spring collection a total success, with short full skirts and crinolines. Definitely for young audience to go and dance in.

Latest collection inspired by TV video-clips and a New York band called RUN DMC. Result is a "RUN DMC" jacket with steel nameplate across chest. Hats — small, stiff helmets — also inspired by the hats worn by New York

street gangs. Cameron was one of first to use stretch fabrics and showed interesting, black-and-white striped active clothes.

Strong Courreges influence. "I think he's the best." In pink frills and yellows, and neat, high-arm-holed, paper-doll cut, innovated by putting stiff jackets over ruffled crinolines.

Very well-made clothes have couture edge. For Rottenstein: "He's the one with star quality and star potential." Cameron will receive first "Perry" (or Perry Ellis) award, on Jan. 12, 1987 from Council of Fashion Designers of

America. Followers include Tina Chow and Paloma Picasso.

NORBURY AND OSUNA — Work as team, David Norbury, 30, from South Africa and Miguel Osuna, 35, from Mexico. Met in a New York club. Osuna then working for Scott Barrie. Primarily an illustrator, Norbury was designing shoes and bags for Carlos Falchi. Founded own house four years ago.

Last season, backed by Kashiyama. Functions from neat and clean gray showrooms on Seventh Avenue. Made-in-Japan collection. Business volume about \$400,000 a year.

General style very couture-inspired. Osuna appreciates in Paris. Develops a new silhouette each season. Norbury says total look more important than separate pieces. Last season, trapeze and tent shapes with full skirts and crinolines. Vivienne Westwood, London designer, considered world leader in revival of crinoline, said that only designers who impressed her in the United States were Norbury and Osuna.

Spring collection Empire baby-doll, with bubble skirts. Also Empire suits of knit fabrics. Overall, very romantic, waspish collection, influenced by English country gardens and Ascot. Two fabrics: cotton jersey and cotton twill. Sophisticated colors: lavender and cream, henna and gray, pink and maroon.

MARC JACOBS, 23. Had his ups and downs with backers since he showed first collection at 21. Now okay, with Kashiyama backing him up. "I've been making and showing collections but I haven't been able to manufacture. Now conditions are changing. I won't get lots of money but good working conditions," he said.

Born and bred in New York, at 14 wanted to be fashion designer. Graduated from Parsons School for years salesman at Charivari.

Saying "Clothes not just for covering body, clothes should entertain," Jacobs specializes in witty clothes, including "Freudian" slip-dress with Sigmund Freud's profile against white sequins.

Winter collection built around trapeze, with lots of taffeta, busier dresses. Thinks Vivienne Westwood most influential designer in world today. Likes street fashion, such as jeans jacket made of taffeta over taffeta dresses. Another petcock addict.

For spring, young, whimsical collection with lots of T-shirts and T-shirt dresses. Also amusing trompe-l'oeil, sequined corset dresses. Romantic quality about Jacobs. This collection inspired by the Viennese painter Egon Schiele, whom he first discovered at recent Vienna show at New York Museum of Modern Art. "I loved the wonderful naive and sexual women in these paintings," he said, "with girls half-dressed and ball-unbundled, with stockings half rolled up and shoe half laced-up. I found them sexy, but not bitchy or hard-edged."

Very inexpensive. Prices range from \$30 to \$250 retail, except for beaded dresses which go for \$600 to \$900. Jacobs likes mixing genres such as throwing a man's windbreaker over a strapless dress: "Makes it very naive and sexy."

Everything cut quite skimpy. And absolutely no shoulder pads.



Charlie Gert (right): Naive and sexy.

Charlie Gert

DOONESBURY

impact on Seventh Avenue. Besides Tomio Taki, who backs both Anne Klein and Donna Karan, the Kashiyama conglomerate, which supports Jean-Paul Gaultier in Paris, has recently supported both Marc Jacobs and Norbury and Osuna.

These new designers have small overheads and are able to deliver individualistic clothes at realistic prices. Sales volume rarely exceeds \$75,000 to \$1 million a year. Retail prices range from \$75 to \$800, for generally well to very well-made clothes.

There are six designers who seem to be set for continuing success:

Three are presented here, the others will appear next week.

DAVID CAMERON, 25, prosperous Los Angeles background. Father in construction business. Denies that he is backed by parents, saying it's a group of Los Angeles investors.

Tall, handsome, blue-eyed and blond. Typical LA surfer type. Wanted to be rock musician. Came to New York five years ago after winning fashion design contest.

Appointed with Michael Wollbach. Showed first New York collection three seasons ago.

Attended by Women's Wear Daily publisher, John Fairchild, Cameron's first show came in with a bang. Influenced by Chicano or Los Angeles, with ruffled shirts and full denim skirts. Second wild show inspired by California surfers not well received. Spring collection a total success, with short full skirts and crinolines. Definitely for young audience to go and dance in.

Latest collection inspired by TV video-clips and a New York band called RUN DMC. Result is a "RUN DMC" jacket with steel nameplate across chest. Hats — small, stiff helmets — also inspired by the hats worn by New York

street gangs. Cameron was one of first to use stretch fabrics and showed interesting, black-and-white striped active clothes.

Strong Courreges influence. "I think he's the best." In pink frills and yellows, and neat, high-arm-holed, paper-doll cut, innovated by putting stiff jackets over ruffled crinolines.

Very well-made clothes have couture edge. For Rottenstein: "He's the one with star quality and star potential." Cameron will receive first "Perry" (or Perry Ellis) award, on Jan. 12, 1987 from Council of Fashion Designers of

America. Followers include Tina Chow and Paloma Picasso.

NORBURY AND OSUNA — Work as team, David Norbury, 30, from South Africa and Miguel Osuna, 35, from Mexico. Met in a New York club. Osuna then working for Scott Barrie. Primarily an illustrator, Norbury was designing shoes and bags for Carlos Falchi. Founded own house four years ago.

Last season, backed by Kashiyama. Functions from neat and clean gray showrooms on Seventh Avenue. Made-in-Japan collection. Business volume about \$400,000 a year.

General style very couture-inspired. Osuna appreciates in Paris. Develops a new silhouette each season. Norbury says total look more important than separate pieces. Last season, trapeze and tent shapes with full skirts and crinolines. Vivienne Westwood, London designer, considered world leader in revival of crinoline, said that only designers who impressed her in the United States were Norbury and Osuna.

Spring collection Empire baby-doll, with bubble skirts. Also Empire suits of knit fabrics. Overall, very romantic, waspish collection, influenced by English country gardens and Ascot. Two fabrics: cotton jersey and cotton twill. Sophisticated colors: lavender and cream, henna and gray, pink and maroon.

MARC JACOBS, 23. Had his ups and downs with backers since he showed first collection at 21. Now okay, with Kashiyama backing him up. "I've been making and showing collections but I haven't been able to manufacture. Now conditions are changing. I won't get lots of money but good working conditions," he said.

Born and bred in New York, at 14 wanted to be fashion designer. Graduated from Parsons School for years salesman at Charivari.

Saying "Clothes not just for covering body, clothes should entertain," Jacobs specializes in witty clothes, including "Freudian" slip-dress with Sigmund Freud's profile against white sequins.

Winter collection built around trapeze, with lots of taffeta, busier dresses. Thinks Vivienne Westwood most influential designer in world today. Likes street fashion, such as jeans jacket made of taffeta over taffeta dresses. Another petcock addict.

For spring, young, whimsical collection with lots of T-shirts and T-shirt dresses. Also amusing trompe-l'oeil, sequined corset dresses. Romantic quality about Jacobs. This collection inspired by the Viennese painter Egon Schiele, whom he first discovered at recent Vienna show at New York Museum of Modern Art. "I loved the wonderful naive and sexual women in these paintings," he said, "with girls half-dressed and ball-unbundled, with stockings half rolled up and shoe half laced-up. I found them sexy, but not bitchy or hard-edged."

Very inexpensive. Prices range from \$30 to \$250 retail, except for beaded dresses which go for \$600 to \$900. Jacobs likes mixing genres such as throwing a man's windbreaker over a strapless dress: "Makes it very naive and sexy."

Everything cut quite skimpy. And absolutely no shoulder pads.

Three are presented here, the others will appear next week.

DAVID CAMERON, 25, prosperous Los Angeles background. Father in construction business. Denies that he is backed by parents, saying it's a group of Los Angeles investors.

Tall, handsome, blue-eyed and blond. Typical LA surfer type. Wanted to be rock musician. Came to New York five years ago after winning fashion design contest.

Appointed with Michael Wollbach. Showed first New York collection three seasons ago.

Attended by Women's Wear Daily publisher, John Fairchild, Cameron's first show came in with a bang. Influenced by Chicano or Los Angeles, with ruffled shirts and full denim skirts. Second wild show inspired by California surfers not well received. Spring collection a total success, with short full skirts and crinolines. Definitely for young audience to go and dance in.

Latest collection inspired by TV video-clips and a New York band called RUN DMC. Result is a "RUN DMC" jacket with steel nameplate across chest. Hats — small, stiff helmets — also inspired by the hats worn by New York

street gangs. Cameron was one of first to use stretch fabrics and showed interesting, black-and-white striped active clothes.

Strong Courreges influence. "I think he's the best." In pink frills and yellows, and neat, high-arm-holed, paper-doll cut, innovated by putting stiff jackets over ruffled crinolines.

Very well-made clothes have couture edge. For Rottenstein: "He's the one with star quality and star potential." Cameron will receive first "Perry" (or Perry Ellis) award, on Jan. 12, 1987 from Council of Fashion Designers of

America. Followers include Tina Chow and Paloma Picasso.

NORBURY AND OSUNA — Work as team, David Norbury, 30, from South Africa and Miguel Osuna, 35, from Mexico. Met in a New York club. Osuna then working for Scott Barrie. Primarily an illustrator, Norbury was designing shoes and bags for Carlos Falchi. Founded own house four years ago.

Last season, backed by Kashiyama. Functions from neat and clean gray showrooms on Seventh Avenue. Made-in-Japan collection. Business volume about \$400,000 a year.

General style very couture-inspired. Osuna appreciates in Paris. Develops a new silhouette each season. Norbury says total look more important than separate pieces. Last season, trapeze and tent shapes with full skirts and crinolines. Vivienne Westwood, London designer, considered world leader in revival of crinoline, said that only designers who impressed her in the United States were Norbury and Osuna.

Spring collection Empire baby-doll, with bubble skirts. Also Empire suits of knit fabrics. Overall, very romantic, waspish collection, influenced by English country gardens and Ascot. Two fabrics: cotton jersey and cotton twill. Sophisticated colors: lavender and cream, henna and gray, pink and maroon.

MARC JACOBS, 23. Had his ups and downs with backers since he showed first collection at 21. Now okay, with Kashiyama backing him up. "I've been making and showing collections but I haven't been able to manufacture. Now conditions are changing. I won't get lots of money but good working conditions," he said.

Born and bred in New York, at 14 wanted to be fashion designer. Graduated from Parsons School for years salesman at Charivari.

Saying "Clothes not just for covering body, clothes should entertain," Jacobs specializes in witty clothes, including "Freudian" slip-dress with Sigmund Freud's profile against white sequins.

Winter collection built around trapeze, with lots of taffeta, busier dresses. Thinks Vivienne Westwood most influential designer in world today. Likes street fashion, such as jeans jacket made of taffeta over taffeta dresses. Another petcock addict.

For spring, young, whimsical collection with lots of T-shirts and T-shirt dresses. Also amusing trompe-l'oeil, sequined corset dresses. Romantic quality about Jacobs. This collection inspired by the Viennese painter Egon Schiele, whom he first discovered at recent Vienna show at New York Museum of Modern Art. "I loved the wonderful naive and sexual women in these paintings," he said, "with girls half-dressed and ball-unbundled, with stockings half rolled up and shoe half laced-up. I found them sexy, but not bitchy or hard-edged."

Very inexpensive. Prices range from \$30 to \$250 retail, except for beaded dresses which go for \$600 to \$900. Jacobs likes mixing genres such as throwing a man's windbreaker over a strapless dress: "Makes it very naive and sexy."

Everything cut quite skimpy. And absolutely no shoulder pads.

Three are presented here, the others will appear next week.

DAVID CAMERON, 25, prosperous Los Angeles background. Father in construction business. Denies that he is backed by parents, saying it's a group of Los Angeles investors.

Tall, handsome, blue-eyed and blond. Typical LA surfer type. Wanted to be rock musician. Came to New York five years ago after winning fashion design contest.

Appointed with Michael Wollbach. Showed first New York collection three seasons ago.

Attended by Women's Wear Daily publisher, John Fairchild, Cameron's first show came in with a bang. Influenced by Chicano or Los Angeles, with ruffled shirts and full denim skirts. Second wild show inspired by California surfers not well received. Spring collection a total success, with short full skirts and crinolines. Definitely for young audience to go and dance in.

Latest collection inspired by TV video-clips and a New York band called RUN DMC. Result is a "RUN DMC" jacket with steel nameplate across chest. Hats — small, stiff helmets — also inspired by the hats worn by New York

street gangs. Cameron was one of first to use stretch fabrics and showed interesting, black-and-white striped active clothes.

Strong Courreges influence. "I think he's the best." In pink frills and yellows, and neat, high-arm-holed, paper-doll cut, innovated by putting stiff jackets over ruffled crinolines.

Very well-made clothes have couture edge. For Rottenstein: "He's the one with star quality and star potential." Cameron will receive first "Perry" (or Perry Ellis) award, on Jan. 12, 1987 from Council of Fashion Designers of

America. Followers include Tina Chow and Paloma Picasso.

NORBURY AND OSUNA — Work as team, David Norbury, 30, from South Africa and Miguel Osuna, 35, from Mexico. Met in a New York club. Osuna then working for Scott Barrie. Primarily an illustrator, Norbury was designing shoes and bags for Carlos Falchi. Founded own house four years ago.

Last season, backed by Kashiyama. Functions from neat and clean gray showrooms on Seventh Avenue. Made-in-Japan collection. Business volume about \$400,000 a year.

THE IRAN AFFAIR: Top U.S. officials go under the microscope

Major Players: A Status Report

How Much Did They Know, When Did They Know It?

By Gaylord Shaw
Los Angeles Times Service

WASHINGTON — Like the stain of an oil spill, the Iranian arms-and-hostages deal and the diversion of profits from it to help the Nicaraguan rebels has spread across the Reagan administration until, directly or indirectly, it now touches almost every senior government official concerned with national security and foreign policy.

Once again the familiar questions are being asked by FBI and congressional investigators: "What did they know, and when did they know it?"

These questions, etched in America's psyche by Watergate more than a decade ago, now are being asked about men who hold some of the most critical positions of trust in the nation: White House officials, the secretaries of state and defense, the attorney general, and Vice President Ronald Reagan and Vice President George Bush.

In the nearly four weeks since the Iranian arms affair began unraveling, and in the week since Attorney General Edwin Meese 3d disclosed that proceeds from arms deals had been funneled to the Nicaraguan rebels, some answers have begun to emerge.

Here is an account of what has become known about the involvement of key officials in the controversy.

President Reagan

On Jan. 17, Mr. Reagan secretly signed a national security "finding" that waived the existing embargo and authorized direct U.S. arms shipments to Iran as part of a "secret initiative" that he said was intended to improve relations with Iran, bring a negotiated end to the Iran-Iraq war, reduce terrorism and help free American hostages in Lebanon. The document ordered the CIA to take part but not to inform Congress.

At that time, there had already been at least two shipments of U.S. arms by Israel in 1985, and Mr. Meese said Nov. 25: "The president did not have full details of all the aspects of the transactions that took place prior to the 'finding' on Jan. 17."

The president was informed generally that there had been an Israeli shipment of weapons to Iran sometime during the late summer, early fall of 1985," Mr. Meese said. "Our information is that the president knew about it, probably after the fact, and agreed... with the general concept of continuing our discussions with the Israelis concerning these matters."

In late summer 1985, an adminis-

tration source said, Mr. Reagan had been told by Robert C. McFarlane, who at the time was his national security adviser, that Israel was willing to help the administration make contact with so-called Iranian moderates who would use their influence with terrorists holding U.S. hostages in Lebanon in return for a "good-faith" arms shipment.

According to this source, Mr. Reagan then ruled out any arms-for-hostages swap. The Washington Post quoted other sources as saying that Mr. Reagan agreed it was worthwhile to explore the possibility of establishing contacts with the Iranian moderates.

As for the eventual diversion of profits from Iranian arms deals into Swiss bank accounts for private support for the contras after Congress barred U.S. military aid, and helping to quell international terrorism.

Sometime in 1985, Mr. North and Mr. McFarlane, using weapons for Iran's war with Iraq as a lure, secretly began courting "moderates" in the Moslem fundamentalist regime of the Ayatollah Ruhollah Khomeini, apparently seeking a U.S. foothold with his possible successors and freedom for American hostages.

Along the way, sources say, Colonel North signaled White House approval for at least one arms shipment by Israel in August 1985, even though the president at that point had rejected such a move. In January 1986, Mr. Reagan assented to secret U.S. arms shipments to Iran and ordered the CIA to organize the transfers with the National Security Council.

In late 1985 or early 1986, sources say, Colonel North hit upon what one called a "brilliant, if twisted" idea: he would finance the contras' war with profits from the sale of overpriced arms to Iran. Via a network of intermediaries in Israel and elsewhere, Iran was charged millions more than the Pentagon price for TOW anti-tank missiles and other weapons. The excess was skimmed off and \$10 million to \$30 million that remained after commissions to arms merchants and others was placed in Swiss bank accounts for the contras.

Colonel North plotted the arms-for-hostages swaps in meetings in Europe and elsewhere, and he was on the May 1986 mission to Tehran with Mr. McFarlane during which American representatives met Iranian moderates face-to-face. The arms-for-hostages deal led to the release of three U.S. hostages held by terrorists in Lebanon, but three more Americans were kidnapped last summer.

Mr. North's decisive role in the arms sales was exposed in early November, and administration of-

ficials stoutly defended the Iranian overtures as a calculated gamble that simply went awry. But when an internal autopsy of the affair by Mr. Meese turned up the Iran-contras link last week, Mr. Reagan disavowed any link to the arms-for-hostages dealings between the crucial months of September 1985 and December 1986, well after his December 1985 resignation.

Two news accounts, apparently based on interviews with Mr. McFarlane, say that he was asked in March or April by his White House successor, Vice Admiral Poindexter, to fly secretly to Tehran with Colonel North for talks with Iranian moderates. The trip was undertaken in late May 1986.

Colonel North is reported to have told others that all his actions, including the cash-skimming operation, were approved by Vice Admiral Poindexter, Mr. McFarlane and Mr. Regan. Mr. Poindexter and Mr. McFarlane have admitted some early knowledge of the contras deal, but Mr. Regan has denied knowing about it.

Robert C. McFarlane

His exact role remains shadowy at best, for Mr. McFarlane disclaims responsibility for, and declines to comment on, much of the venture even though it was born and carried out under his direction.

He is said to have first seriously considered plans for a secret U.S. initiative directed at Iranian moderates in mid-1985, six months before quitting his post as national security adviser in December.

One news account citing Mr. McFarlane and sources familiar with his thinking casts Mr. McFarlane as consistently opposed to secreting arms trading with the Iranians.

But others say a blueprint for an Iranian initiative was presented to Mr. Regan, much as Mr. McFarlane's backing in July 1985.

Mr. Regan rejected that proposal, Israeli government officials, speaking anonymously, say Mr. McFarlane or his office nevertheless gave approval for at least two shipments of U.S.-made weapons that were sent to Iran in August and November 1985.

Mr. McFarlane has effectively



President Reagan / Nov. 13

"The charge has been made that the United States has shipped weapons to Iran as ransom payment for the release of American hostages in Lebanon. I believe that the United States undercut its allies and secretly violated American policy against trafficking with terrorism.... Those charges are utterly false. The United States has not made concessions to those who hold our people captive in Lebanon.... I authorized the transfer of small amounts of defensive weapons and spare parts for defensive systems to Iran."

Robert C. McFarlane / Nov. 16
Former national security adviser
"Sending 'modest' levels of arms was a 'reasonable price to pay' for developing a working relationship with moderate elements in Iran."Donald T. Regan / Nov. 14
White House chief of staff

"I don't take kindly to this criticism by people who have not examined my record. How much more experience do you have to have in foreign policy than I do to believe you are qualified.... Some of us are like a shovel brigade that follow a parade down Main Street cleaning up.... We have never authorized, never allowed, never condoned large shipments by anyone, by Far Easters, Middleasters, Europeans, Israelis or anyone."

George P. Shultz / Nov. 16
Secretary of State

"Asked if he believed more arms shipments should be sent to Iran: 'Under the circumstances of Iran's war with Iraq, its pursuit of terrorism, its association with those holding our hostages, I would reluctantly say, as far as I'm concerned, no.' Asked if he had the authority to speak for the entire Administration, he replied, 'No.'

Edwin Meese 3d / Nov. 25
Attorney General
"What is involved is that in the course of the arms transfers, which involved the United States providing the arms to Israel, and Israel in turn transferring the arms — in effect selling the arms — to representatives of Iran, certain monies which were received in the transaction between representatives of Israel and representatives of Iran were taken and made available to the forces in Central America which are opposing the Sandinista Government there."

opponent of the plan within the administration.

Mr. Shultz says he attended two "full-scale discussions" of U.S. policy toward Iran last December and January and, at the time, opposed the arms sales. But he has insisted that he knew very little about the execution of Iran policy following the second of the meetings Jan. 7. A senior State Department official said Mr. Shultz was not informed when Mr. Reagan signed the Jan. 17 "finding."

Mr. McFarlane, on the other hand, said he briefed Mr. Shultz on the operation "repeatedly and often."

According to the official State Department spokesman, no one in the department from Mr. Shultz onward knew anything about the diversion of funds to the Nicaraguan contras.

Edwin Meese 3d

At the White House briefing Nov. 25, Mr. Meese was asked about legal opinions he had given on the Iran arms shipments.

"The only legal opinion that was involved had to do with the routine concurrence, with the finding of January 1986," Mr. Meese replied.

"That's the only legal advice that was asked for or that was given."

A Justice Department official said Sunday that what Mr. Meese concurred in was actually legal advice from the CIA's general counsel that a delay in notifying Congress was permitted because lives were at stake.

A Justice Department official said that Mr. Meese discovered that Iranian arms proceeds had been funneled to the contras only three days before he announced it on national television.

gross from obtaining testimony from Mr. Regan had not been decided and would be discussed with legal and political advisers over the next few days.

Shultz Appoints Aide

Secretary of State George P. Shultz has named a top aide to examine the Reagan administration policy on Iran and on the hostages held in Lebanon as part of an effort to devise a new approach to those issues, officials said, according to The Associated Press.

Shultz wants to find out, first off, what the hell happened. And, second, he doesn't want to get blindsided by some new revelation," a State Department source said.

In a little-noticed development last week, Michael A. Armacost, the undersecretary for political affairs, was assigned to come up with a new plan to win freedom for five American hostages held in Beirut by terrorists suspected of having links to Tehran.

THE FIRST HAPSBURG MALT WHISKY.

The Glenlivet dynasty can be traced back to 1747 when the Hapsburg kings ruled in Austria.

Today, Scotland's first malt whisky is also first choice in Vienna.



Scotland's first malt whisky.

AUTHORS WANTED BY N.Y. PUBLISHER

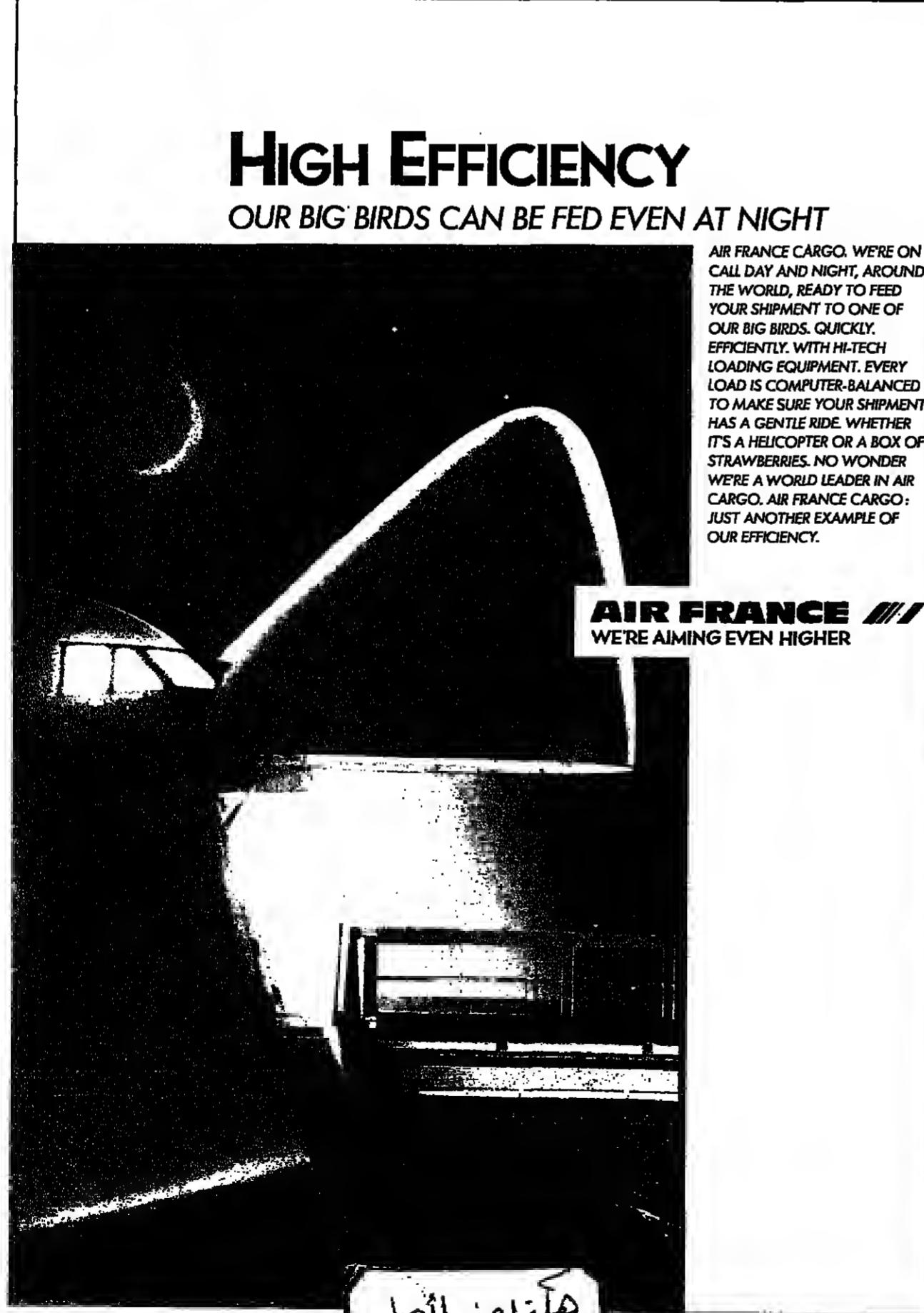
Leading subsidy book publisher seeks manuscripts of all types, fiction, non-fiction, poetry, literature, scholarly and religious works, etc. New authors welcomed. Send for booklet #3, P.O. Box 1001, 516 W. 34th St., New York, N.Y. 10001 U.S.A.

HIGH EFFICIENCY

OUR BIG BIRDS CAN BE FED EVEN AT NIGHT

AIR FRANCE CARGO. WE'RE ON CALL DAY AND NIGHT, AROUND THE WORLD, READY TO FEED YOUR SHIPMENT TO ONE OF OUR BIG BIRDS. QUICKLY. EFFICIENTLY. WITH HI-TECH LOADING EQUIPMENT. EVERY LOAD IS COMPUTER-BALANCED TO MAKE SURE YOUR SHIPMENT HAS A GENTLE RIDE. WHETHER IT'S A HELICOPTER OR A BOX OF STRAWBERRIES. NO WONDER WE'RE A WORLD LEADER IN AIR CARGO. AIR FRANCE CARGO: JUST ANOTHER EXAMPLE OF OUR EFFICIENCY.

AIR FRANCE // WE'RE AIMING EVEN HIGHER



Regan Might Resist Testifying to Panel in Congress

By Gerald M. Boyd
New York Times Service

WASHINGTON — Donald T. Regan has raised the possibility that he would resist testifying before congressional inquiries, saying "it would be rather unusual" for the White House chief of staff to make such an appearance.

Mr. Regan's comments Sunday were the strongest indication to date that President Ronald Reagan might keep White House officials from testifying under the doctrine that the executive has the privilege of withholding information from Congress or the courts to guard the confidentiality of executive branch deliberations or to protect national security.

A White House spokesman said Saturday that some former national security officials could be made available for congressional inquiries if the two branches could agree on suitable ground rules.

Mr. Regan said as he left California on Sunday that he would

make information available on the arms sales to Iran and the funneling of profits to the Nicaraguan rebels supported by the United States. But he suggested that could not occur until the Justice Department completed its investigation, which is being directed by Attorney General Edwin Meese 3d.

His chief of staff also spoke in California and refused to address directly the question whether he would testify if asked by Congress. That he would be asked to appear is virtually certain because of reports that he was told about the secret arms transactions, which provided millions of dollars to the Nicaraguan rebels.

Mr. Regan has dismissed such reports as "ridiculous" and has said that the first he learned of the transactions was when it was informed by Mr. Meese Nov. 24.

Asked in a television interview Sunday whether he would testify on Capitol Hill, he replied: "I've not been asked to and it would be

rather unusual and I don't know what I could add to what they already know."

When pressed about a response if he were asked by Congress, he continued: "I can't guarantee that because the advice I give to the president obviously is a matter of executive privilege or else you won't have a separation of powers, which is necessary under the Constitution."

Despite this, Mr. Regan said that the White House was interested in cooperating with Congress and in learning the details of the secret arms deals. He left open the possibility that a compromise could be reached in which White House officials could be made available to Congress.

Mr. Regan said, "As much as possible, we'll make people available to Congress."

A senior White House official Sunday said in Washington that the decision whether the administration would seek to keep Con-

2 for 1

Take advantage of our special rates for new subscribers and we'll give you an extra month of *Tribes* free for each six months you subscribe. Total savings: nearly 50% off the newsstand price in most European countries!

To Subscription Manager, International Herald Tribune, 181, av. Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: (1) 46 37 93 61. Telex: 612832.

Please enter my subscription for:

12 months (+2 months) free 6 months (+1 month) free 3 months (+2 weeks) free

My check is enclosed. Please charge my credit card account:

Access American Express Diners Club Euro-card Master card Visa

Card account number: _____ Card expiry date: _____

Signature: _____

Name: _____

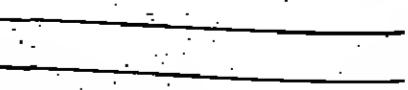
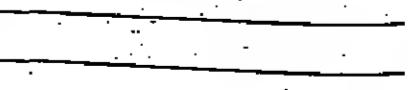
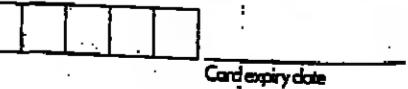
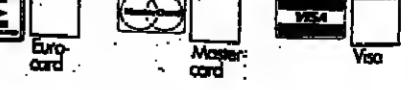
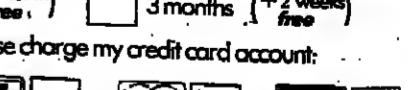
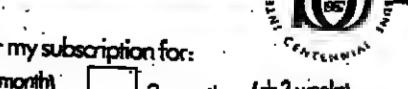
Address: _____

City/Country: _____

Tel/TelEx: _____

* In these countries hand delivery service is available in major cities on the publication date. For details and rates, please check here and fill in your address above. ☐

2-12-86



Monday's **NYSE** Closing

Prices include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Floating-Rate Notes

(Continued on Page 15)

ADVERTISING SECTION

MONACO

What is small, sparkling, smooth, fun to admire and a bit of a gamble? No, not a mere jewel. Rather, Monaco.

Europe's second-smallest independent state has long been one of the world's most valuable rocks. Its natural harbor and climate have attracted outsiders, from Neanderthal man to the Monoceros (a Ligurian tribe which inhabited Monaco in the 6th century B.C. and presumably bequeathed its name) to Anthony Burgess, Boris Becker and Karl Lagerfeld.

Monaco has everything most people would like in their own hometowns. The streets can be safely walked at midnight, the omnipresent police force is more helpful than intimidating, the weather is good most of the year, and the public services are exceptional.

There is gambling but no lurid nightlife and the royal family keeps the place in the news with only just enough fetchingly gossipy to make it interesting. There is a small prison (most cells have a sea view) and decent construction, but Monaco can be basically characterized as something between Wonderland and Monopoly land.

"This is one of the few places left in the world where women can still wear real jewelry when they go out at night," said Gilles Nogues of the principality's tourist office. "It is an ideal mixture of the modern with the traditional, of security on the street with daring in the casino. We plan to keep it that way — small, beautiful and prestigious."

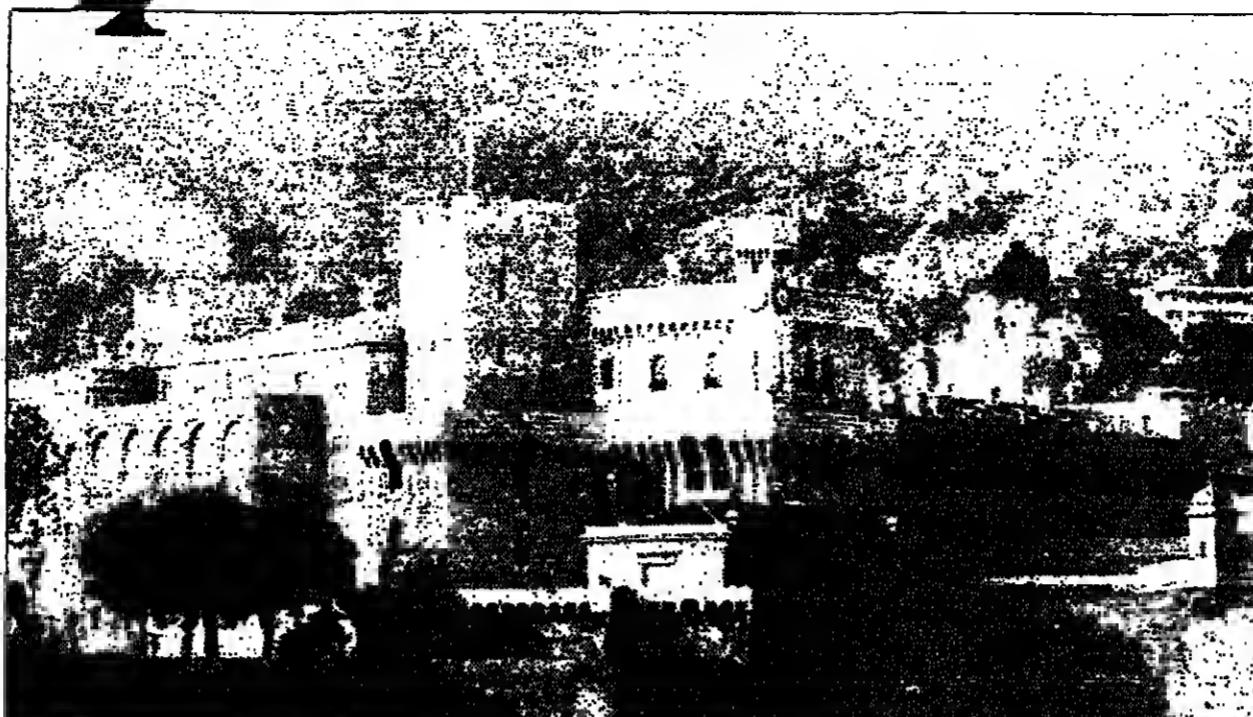
Where's the intrigue? There are rumors, of course, that Monaco is replete with intrigue. But except for some of the questionable buildings erected during what many locals now refer to as "our American era," Monaco is much more sedate than scandalous. Even a spirited French muckraking newspaper could not find any real scoop for a lengthy issue it devoted to the principality last July.

Foreigners, especially the French, think we live off gambling, are either a den of iniquity or a police state, and are definitely very odd because we don't pay income tax," said Jean-Charles Rey, the 72-year-old Monegasque who heads the country's parliament and grew up on The Rock, as the hill which contains Monaco's palace and old city is called. "We consider ourselves a well-managed, small but serious country with hard-working people and a government that tries to prevent monkey business."

Although contemporary tourists head to the Riviera primarily during the summer, Monaco was essentially a winter resort, catering to a wealthy and seasonal clientele, until 1945. But today Monaco has become a year-round tourist destination: over 250,000 foreigners spent at least one night here this year. Twenty-five percent came in business and a quarter of the total were American (18% were Italian, 17% French and 8.5% British).

Much of Monaco's attraction to Americans is due to Princess Grace, the former actress from Philadelphia who married the ruling Prince Rainier III in 1956 and was killed in an automobile accident just four years ago. Princess Grace added magic and zest to the formerly said Monaco and was a magnet for Americans heading abroad. Her daughters, Caroline and Stephanie, have helped continue the American public's fascination with a country smaller than most cities in the United States.

"Princess Grace brought a taste of international life that opened our eyes to the outside world," explained Rey, who



The Prince's palace is situated on The Rock, a hill which also contains Monaco's old city and parliament.

contends that Princess Caroline has successfully assumed the role of the principality's first lady. "Monegasques still sense her presence."

Growing, growing, grown. There is no question that Monaco exceeded itself when it started building skyscrapers in the 1960s and '70s. But today there is a return to more reasonable architectural styles. They can be either contemporary (like the buildings in Fontvieille), neo-classical (like the apartment complex Le Florestan) or a restoration mode (like The Metropole).

"There is a conscious effort by the government and the private sector to physically build a sensible future," said Nabil Boustany, who is spending 600 million FF (\$90 million) restoring the old Metropole hotel, which closed in June 1981. Boustany is creating a mix of office and commercial space, apartments and a 146-room hotel, which will reopen next autumn under the management of Conrad International Hotels, a subsidiary of Hilton Hotel Corp. in the U.S.

Boustany contends the Metropole may be partially responsible for some of the modernization at other hotels in the principality, including those owned by La Société des Bains de Mer (SBM). The SBM — which employs over 2,200 people and has activities in gambling, hotels, restaurants, sports, real estate and business — has been a major force in Monaco since the company was created by Charles III in 1863. It is now controlled by the government, which has 69 percent of the shares.

Indeed, the SBM has added 50 rooms and an exquisite bar to its Hôtel-Hermitage (the current preference of those visitors who want a sense of bygone days coupled with modern conveniences), and eliminated 20 rooms to enlarge a number of others at the Hôtel de Paris.

business, athletics or sports management. I had the most fun working in advertising and am still active in sports as a spectator and participant. But although I am not here by choice, I expect to enjoy the challenges of my future job.

How are you preparing for it?

Rather than going to graduate school, I got some good hands-on working experience in different business environments. This introduced me to the legal and business professions and the people involved in them, and helped me both personally and professionally.

I assist my father full-time during the nine months of the year I'm in Monaco and we conduct some official functions together. In addition, I prepare reports, attend meetings, evaluate issues and work with government officials. I'm also active in a number of local and international civic, athletic, legal and medical organizations. The other three months of the year I'm on the road in official and unofficial capacities.

I learn something new every day, feel comfortable about my capabilities and guess I would be prepared to take over whenever my services are required. But I won't know how well I'll follow my father's footsteps until I actually move up.

When will that be?

It is obviously up to my father, and we have not discussed any timeline.

What bothers you the most about Monaco?

People still have a distorted image about the role of gambling in our economy, and tend to think of us as a playground in the sun.

There is much more here than that. There's a thriving business world of small industries, entrepreneurs and important financial institutions. Most people in Monaco actually work quite hard despite the erroneous impression of constantly being on the beach. Legislative power is exercised

image and help attract more companies in different business sectors.

Naturally the principality's major problem is our limited space. I find it very exciting to keep up with all the public works projects and new environmental ideas that occur here. For example, we will increase our area in the future by covering up the existing railway line and also plan to enlarge the harbor.

How do you react to the constant attention your family gets in the press?

Obviously I would prefer to keep a low profile, but it's often a challenge outside Monaco because everyone seems to want to know everything about us. I treasure my privacy and am not a rock star or actor. I frankly don't understand the obsession by the press and am especially disappointed because things often get exaggerated.

How Monaco Works

According to Monaco's constitution, which was rewritten in 1962, the executive power belongs solely to the prince. Legislative power is exercised

(Continued on Next Page)

Prince Albert and Prince Rainier at Monaco's palace.

Interview: Prince Albert Comes of Age

Prince Albert, the heir to Monaco's throne, decorates his office with contemporary paintings and two enlarged photographs of the vehicle he drove in last year's Paris-Dakar automobile rally. But the 28-year-old prince obviously does not plan to be a professional racer. He is destined to follow in his father's footsteps.

The prince — whose wire-rimmed glasses and bow tie partially camouflage his athletic interests in judo, swimming, bobsledding, tennis and other sports — graduated from Amherst College in Massachusetts in 1981 and served in the French Navy before working with an American bank, a French multinational company, an advertising agency and an American law firm.

"Albert's childhood and

youth filled him with good sense and strong principles," explained Jean-Charles Rey, head of Monaco's parliament. "To be a good leader requires a wide range of knowledge, a well-rounded personality and basic honesty — all qualities he has."

Today, among other things, Prince Albert is president of the Monaco Red Cross, a member of the International Olympic Committee, and president of the Monaco Yacht Club and the Athletics Federation of Monaco. He was recently interviewed (speaking in a thoroughly American accent) in his office on the top floor of Monaco's palace.

Question: What would you be doing if you weren't the prince?

Answer: Probably something in the fast-paced world of

A DIAMOND ON THE MEDITERRANEAN

Joel in it

What to do? Contemporary Monaco is fun. But it is a rational, rather than footloose and fancy-free, type of fun. Many visitors are surprised, though not particularly disappointed, that the principality completely lacks low-life nightclubs and prostitution-lined streets.

Nightlife tends to be subdued. The Philharmonic Orchestra (founded in 1887), ballet (given a fresh boost and budget inspired by Princess Caroline) and opera are all active. For dancing, try Jimmy's de la Mer at the Monte Carlo Sporting Club, The Living Room (7 avenue Spelugues) or Le Noroc (11 rue du Portier). Loews Hotel, with its gorgeous sea view and large bustling casino, is also a vibrant spot to see and be seen.

Monaco is great for walking and strolls can be taken through the exotic gardens, which attract about half a million visitors a year. The National Museum (which has one of the world's best collections of automotives and 18th- and 19th-century dolls), the beachfront and markets.

Certainly take time to ramble around the old town near the palace, built on the site of a 1215 fortress on The Rock. Look into the museum and archives and watch the changing of the guard (daily at exactly 11:55 a.m.). Also step into the Monaco Cathedral and visit the Oceanographic Museum and Aquarium, which is under the direction of Jacques-Yves Cousteau. Inaugurated in 1930, its staff includes a number of research workers and it has an important library.

Getting to Monaco is not too difficult. Trains run frequently to and from both France and Italy and the company piloting the helicopters, which take seven minutes from the Nice International Airport to Monaco (270 FF), provides a free shuttle service to major hotels. For drivers, there are a number of roads along the Mediterranean from Nice and Italy, or the rather winding descent from the autoroute. Getting there will be even easier in the early 1990s when a new access, financed in equal part by France and Monaco, will descend from the autoroute.

Monaco can also be reached and admired from the sea. Luxurious yachts lie in the port of Monaco and numerous cruises pass by or stop in Monaco. Among the best-crewed yachts for cruises in the Mediterranean are those of Solidmark in Cannes (Tel.: 93.39.84.19).

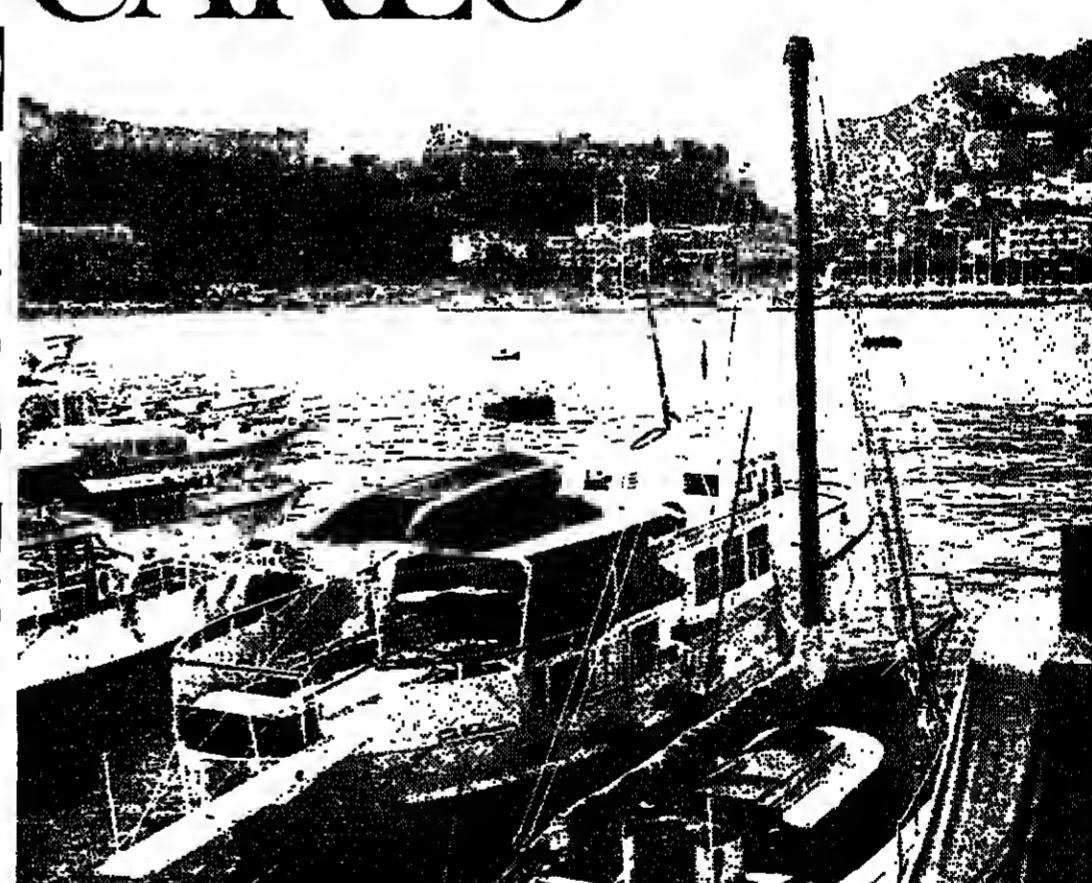
Some Monaco hotels to try:

Hôtel de Paris	93.50.80.80
Hôtel Hermitage	93.50.67.31
Loews Monte Carlo	93.50.65.00
Hôtel Mirabeau	93.25.45.45
Monte Carlo Beach Hotel	93.78.21.40
Beach Plaza	95.38.98.80

This advertising section was written by Joel Stratte-McClure, a freelance writer based in Southern France.



MONTE CARLO A dream come true



Of the world's principal resorts, there is but one Principality.

Behold Monaco. A Principality set graciously apart from the everyday world, nestled in the Riviera under the warm Mediterranean sun.

The euphoria you feel upon arrival no doubt springs from the extraordinary beauty of Monte-Carlo's setting. But the adventure is just beginning.

In Monaco we have embraced all that you love, the old and the new: the Royal Palace, winding cobbled streets, magnificent gardens, museums, the Opera House, chic boutiques and charming bistros. From cafe to cabaret, simple pleasures mingle with the sumptuous elegance of Baroque architecture.

And the festival never ends, thanks to our year-round temperate climate. The International Tennis Championships, the Monaco Grand Prix

and the International Circus Festival, are but a few of the exciting annual events.

Golf and tennis are never out of season. Our beaches are the smartest in Europe. And the sightseeing is spectacular.

At night, an ongoing extravaganza of opera, concerts and ballet brings you the ultimate in European cultural events.

Monte-Carlo is easy to reach from Nice International Airport.

It takes just 40 minutes by road or 6 minutes by helicopter. One last surprise... the price. Monte-Carlo compares favorably with other European capitals and is more affordable than most of them.

Come share the Riviera with us in the Principality and rest a moment in the sun.

Yes, please tell me more about a vacation in the Principality.

Name _____

Address _____

City _____

Postal Code _____

State or country _____

Telephone _____

Please clip out and mail to:

Direction du Tourisme et des Congrès de la Principauté de Monaco

2a, boulevard des Moulins

MC. 98030 Monaco Cedex

Tel. 93.30.87.01 - Telex 469760

Also offices in Paris, London, Frankfurt, Milano and New-York.

How Monaco Works

(Continued From First Page)

by him in conjunction with the 18-member National Parliament (Conseil National), elected for five years by democratic vote. The government is represented by ministers of state and three councilors.

"Monaco is as democratic as many other countries," contends Jean-Charles Rey, the current head of parliament. "The prince provides the line of direction in concert with the people and elected officials. He governs as well as reigns, but it is the elected parliament which approves the budget."

The prince represents the principality in its dealings with foreign powers and signs and ratifies all treaties. Legal power is also invested in the prince, who delegates procedures to the courts and tribunals.

Monaco belongs to a number of United Nations organizations (including the Atomic Energy Commission and the World Health Organization), intergovernmental organizations and international non-governmental organizations, like the Red Cross.

There is a special relationship between Monaco and France, expressed in a number of bilateral treaties and conventions. Many Monegasque laws and regulations are similar to

French law, the monetary unit is the French franc, the principality is within the French customs zone and monetary regulations are subject to the provisions of the Banque de France.

How will Monaco fare in the future?

"There will be a strong forward thrust over the next five years and an increased role for Prince Albert as spokesman for the principality," predicted Vernon Farnsworth at the Chase Manhattan Bank. "Prince Albert's ability to professionally convey enthusiasm about Monaco will help produce an even more important financial center."

"We have been doing okay for eight centuries," concluded Rey. "We'll do all right for another eight if we continue to be reasonable."

Facts and Figures

Area: 195 hectares (482 acres).

Capital: Monaco-Ville.

Population: 27,063, of whom

4,881 are Monegasques and

80 percent are foreigners.

Languages: French, with English and Italian spoken.

Currency: French franc (Monegasque coins are of equal value).

State Religion: Catholicism.

National Holiday: November 19.

National Flag: Half-red, half-white, horizontally striped.

The Business Of Being Monaco

Monaco is a major attraction for international businesses, but it is also a profitable business in its own right. The principality commercially operates in the black and avoids levying taxes on personal income because it does not have to support an army, provide foreign aid or construct superhighways.

Monaco's 1986 budget was about FF 2 billion, while revenue exceeded FF 2.14 billion. Fifty-four percent of income is generated by value-added taxes and 14 percent by the state-run telephone system and other monopolies. Gambling, which was much more profitable in Monaco than in the other casinos on the French Riviera this year, is merely the icing on the cake, accounting for less than three percent of total revenue.

"We have a balanced budget because we are too small to incur debt and must manage ourselves like a private household," explains Jean Pastorelli, director of the budget and treasury. "We also invested heavily in large infrastructure, and this has paid off."

SBM, of course, is an important but hardly dominating player in the principality's

economy. It owns ten percent of the land and controls the casino (it also gets 50 percent of the take from the casino at Loews Hotel), 18 restaurants, four hotels and a number of other properties. But SBM provides the principality with only three percent of its revenue.

Want to come? Foreigners wanting to establish residence in Monaco must apply for a permanent visa, valid for the principality of Monaco, at the French consulate nearest their present place of residence. Once the visa is issued, Monegasque authorities (there are embassies in Rome, Bonn, Bern, Brussels and Paris) may be approached to obtain a resident permit. Foreigners applying for or holding Monegasque residence permits are urged to seek professional advice and guidance in all matters pertaining to monetary and exchange regulations.

Bona fide residents of Monaco — except French citizens who did not live in the principality prior to 1957 — are not taxed on any earned or unearned income and there is no inheritance tax for direct descendants. The only direct tax assessed by the government is the business profits tax, which now stands at 35 percent — if 25 percent or more of gross sales are derived from direct or indirect transactions outside the principality. Service organizations or administrative headquarters not engaged in direct or indirect income-producing activities are assessed at the prevailing rate of 35 percent on a percentage of their overhead expenses in Monaco.

For additional information contact: The Bureau of Economic Development, 2A Boulevard des Moulins, MC 98000, Monaco. Tel: 93.30.43.47. Telex: 469760.

C.C.R.G.

30 Bd. Princesse Charlotte
B.P. 159
MONTE-CARLO
Tel.: 93.30.32.33/
93.30.61.61
Telex: 469870 MCS CARLO,
POSTE 46.



FOR ALL YOUR
REAL ESTATE REQUIREMENTS
LONG TERM INVESTMENT
OR
IMMEDIATE OCCUPATION

OUR EXPERIENCED SPECIALISTS
CAN ASSIST YOU
IN ALL ASPECTS OF

PROPERTY
PURCHASES - SALES
AND RENTALS

Comptoir Immobilier
C et Commerciales
REAL ESTATE AGENCY -
PURCHASES - SALES - RENTALS
Park Palace Les Allées Lumière
25, Avenue de la Costa
MC 98000 MONACO Tel: 93.25.57.27

SECURITY PACIFIC

BANK (FRANCE) SNC



A PROFESSIONAL REAL ESTATE TEAM
AT YOUR DISPOSAL FOR FINANCING
YOUR PROJECTS IN MONACO.

264, RUE DU FAUBOURG SAINT-HONORE - 75008 PARIS
TEL. (1) 47 64 11 66 - TELEX 641953

IN MONTE-CARLO

In the heart of elegant Monte-Carlo, close to the Sporting d'Eté and the beach, one of the most prestigious residence awaits you.



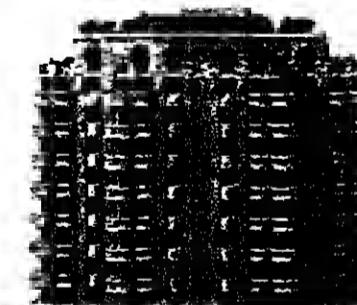
offers you refined architecture, style « Belle Epoque », with splendid loggias, luxury apartments with spacious living-room (45-100 sq.) and the very latest technology and furnishing.

Exclusive apartments for the privileged few

LE FLORESTAN

62, bd d'Italie BP 222 - MC 98000 Monaco

Tel. (int. 33) 93.30.66.70 - Telex 461 696 F

**INTERMEDIA**

Mrs. José Curau
INTERNATIONAL AGENCY
FOR ALL REAL ESTATE TRANSACTIONS

A member of the Chambre Immobilière de Monaco and of the Fédération Internationale des Professions Immobilières (F.I.A.B.C.I.)

PURCHASE, SALE, RENTALS,
MANAGEMENT, INVESTMENTS.

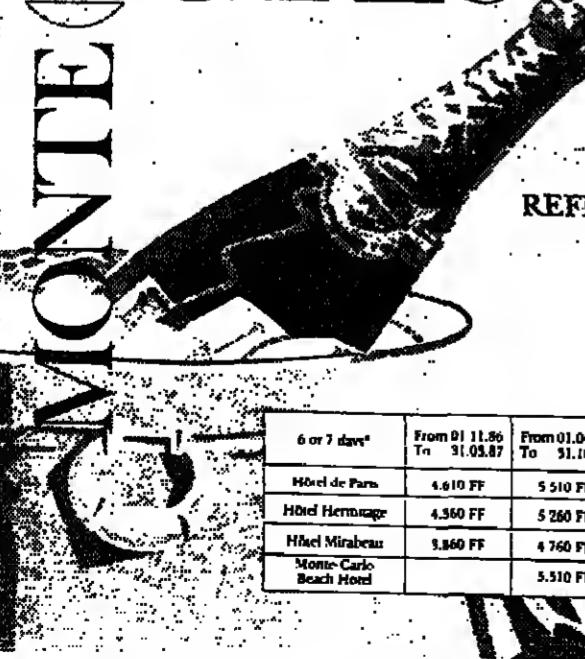
- APARTMENTS
- VILLAS
- BUILDINGS
- BUSINESSES

English spoken - Si parla italiano - Man Spricht Deutsch - Se habla español

INTERMEDIA RECOMMENDS

IN A MODERN RESIDENCE, UPPER FLOOR
Studio, bathroom, equipped kitchenette, loggia facing West, seaview, cellar P.F. 750,000
2 room-apartment with loggia facing South, seaview, bathroom, equipped kitchen, W.C., cellar P.F. 1,800,000
3 room-apartment; loggia facing South-West, view on sea and mountains, 2 baths, equipped kitchen, W.C., cellar P.F. 3,400,000

INTERMEDIA Tel: 93.50.66.84 - Telex: 46977 MC
Passage de l'Ancienne Poterie, Monte-Carlo.

**SBM****CARLO**

IN MONTE-CARLO,
REFINEMENT IS THE NAME OF THE GAME.

The Société des Bains de Mer of Monaco wants you to join them for a week of fitness and entertainment and to take full advantage of the refinement of life in Monte-Carlo.

You will have free access to the beaches and to the Casino and receive a welcoming gift and a surprise from the Casino.

Enjoy a dinner show at the

Cabaret of the Casino as well as a theatrical presentation, a ballet, concert or the opera.

You will have free access to the beaches and to the Casino and receive a welcoming gift and a surprise from the Casino.

Why not also take this opportunity by using your S.B.M. Gold Card.

turn to spend some time every day at the fitness centre at the "California Terrace," who invites you to use their gymnasium, saunas, whirlpool baths, large sea-water pool and their solarium.

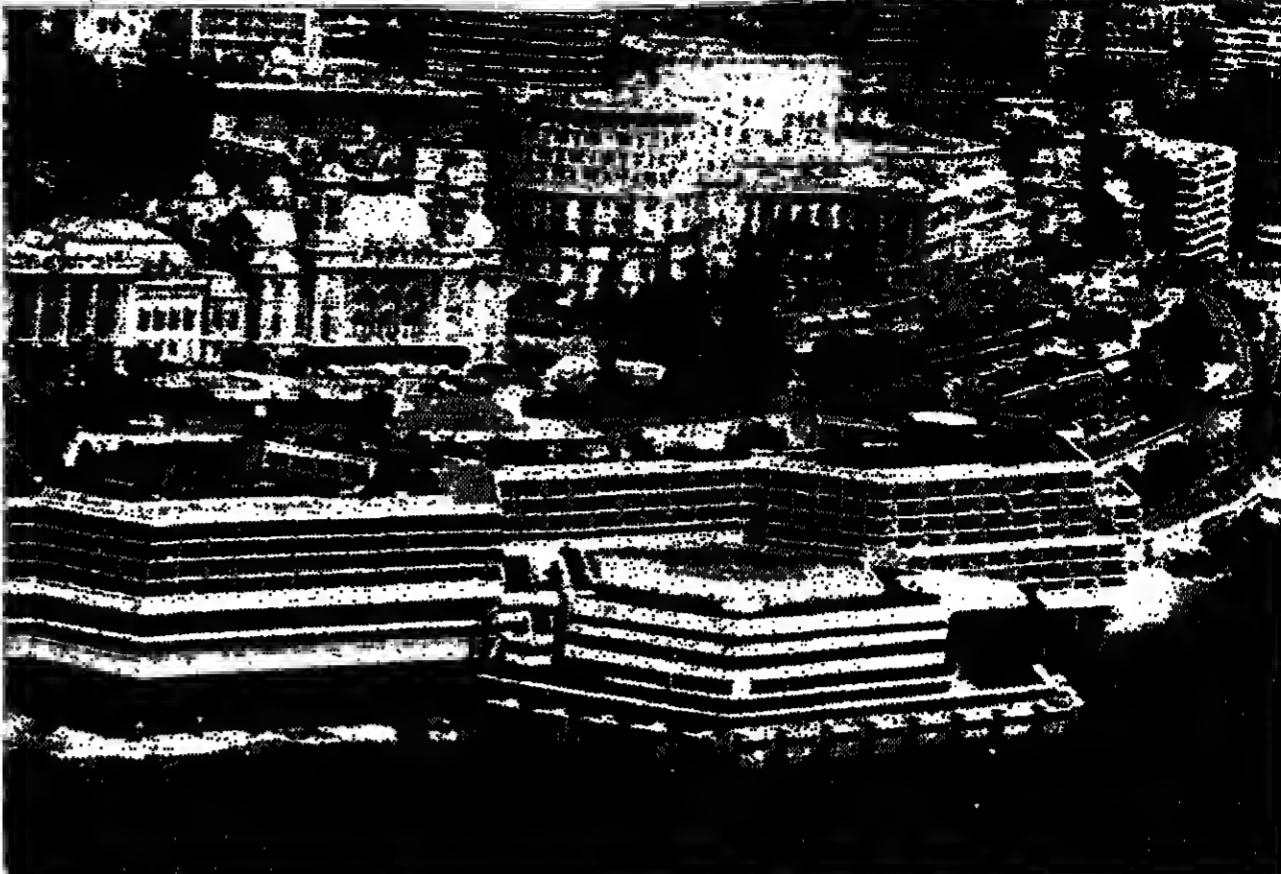
All of these are available simply by using your S.B.M. Gold Card.

* Please bring along a double pass. Special access to certain areas, advantages of 5.5% Gold Card, breakfast, beers and services are included.

SBM NEW YORK OFFICE, 505 Park Avenue, NEW YORK N.Y. 10022 USA. Tel: 212.643.55.90 (800) 221.47.68

David ADAMS - Etat des Bains de Mer, 54, Pall Mall LONDON SW1 Y 5JH Tel: (01) 839.45.81

* Please bring along a double pass. Special access to certain areas, advantages of 5.5% Gold Card, breakfast, beers and services are included.



The Monte Carlo Convention Center and Auditorium was built in 1978 on reclaimed land below the casino.

Facilities for the Business Traveler

Monaco does not have enough hotel rooms to rival nearby Nice or Cannes for larger conventions and trade fairs. But its climate, charm and facilities make it a sensible selection for exhibitions of a smaller nature.

This week 350 international experts are discussing computer and credit card fraud and security, the reinsurance trade has been gathering in Monaco ev-

ery September for the past 30 years, and the world's largest computer company regularly displays new technological developments in May.

Monaco will be an even bigger draw for business tourism in the early 1990s when a new Exposition Center is built on the Larvotto beach to replace the current Centenary Hall, which is still an active exhibi-

tion site. Construction will start next spring and the center will have 5,000 square meters of exhibition space, an auditorium to seat 1,200 and parking for 450 cars.

"Our conference centers and the future exposition facility are built to complement the number of hotel rooms available," explained Gilles Nogues at the principality's office of tourism and conventions.

Existing facilities. The center will complement the Monte Carlo Convention Center and Auditorium (known locally as the CCAM) which is built on reclaimed land at the foot of the casino gardens. Completed in 1978, the Rainier III auditorium seats up to 1,100 persons and there are 1,000 square meters of exhibition space or four floors.

Another outlet for conferences is the smaller Internationaux Conference Center, overlooking the main port of Monaco, with its congress hall for 500 persons, meeting rooms for 100 persons and an exhibition area of 800 square meters. It is located in the same complex as the Princess Grace Theater, now celebrating its fifth anniversary.

Two excellent schools near Monaco are the Centre Méditerranéen d'Enfants Francophones (Tel: 93.78.21.59) in nearby Cap d'Antibes, which features computer-assisted teaching in a bucolic environment, and the Institut de Francia.

The Institut de Francia (Tel: 93.01.88.44; Telex: 970.989.F) in Villefranche-sur-Mer offers 4- or 8-week courses of complete immersion in French for professional adults and mature students. The school is housed in a luxurious villa between Nice and Monaco, overlooking the Mediterranean's most beautiful bay.

Christmas — Under the Sun

Shopping in Monaco is truly painless.

Not only are all the prestigious designers located here, but there are also enough family-run outlets to make it an interesting place to hunt for bargains. It is also a lot more fun to do Christmas shopping on the usually sunny Riviera than under umbrellas in the rainy north. And don't worry about going overboard. It is a frequent afternoon sight to see one of the uniformed doormen at the Hôtel de Paris help a guest cope with overflowing bags.

One of Monaco's main shop-

ping streets is the avenue des Beaux-Arts, which runs from the place du Casino toward the Square Beaumarchais. It is less than 150 meters long but an extremely valuable property on the Monaco monopoly board. The stores include Bulgari, Yves Saint-Laurent, Christian Dior, Givenchy, Louis Vuitton and Ribiloli (6 avenue des Beaux-Arts, Tel: 93.30.06.25).

The latter run by interior designer-turned-antique dealer Ariano Ribiloli, sells primarily French and Italian items, including priceless Louis XIV armchairs. Other streets to stroll are

avenue de Monte Carlo (Valentino, Hermès, Jean-Louis Scherrer) and the boulevard des Moulins (Charles Jourdan, Louis Azzaro). There are also 54 boutiques located in the Park Palace's Les Allées Lumière (Gianfranco Ferré, Morabito, Gianni Versace, Kansai and Louis Feraud).

Nearby, the Artis Monte Carlo Gallery (1 impasse de la Fontaine, Tel: 93.25.63.00) will be displaying 19th-century prints of English palaces and noble home interiors ("Very à la mode for decorating apartments in Monaco," explained the gallery's Maryse Gadouy).

The place to get English and German language books is at Scruples (9 rue Princesse Caroline, Tel: 93.50.43.52), which also sells Christmas cards and wrapping paper. "A Touch of Monaco and the French Riviera Guide" (60 FF) is the only contemporary English-language guide to Monaco and the surrounding French Riviera.

The panorama of shops in Monaco will continue to expand. Next year a new group of boutiques will open in La Galerie Commerciale du Sporting d'Hiver, on Square Beaumarchais, and other boutiques are renting or purchasing space in the Metropole complex.

Note: Most stores close between 12:30 and 3 p.m. and remain open until 7 p.m.

SOLVE YOUR REAL-ESTATE PROBLEMS TODAY!

BUYERS — TENANTS:

Looking for property to rent or buy in Monaco? Listings with the following 8 agencies are now linked by computer.

Select the agency nearest you to visit or call, and you will increase your chances of finding what you are looking for (by a factor of 8) WITHOUT LEAVING YOUR SEAT!

No more tramping around from agency to agency — no more duplication of information.

OWNERS — SELLERS:

Your property / apartment will be advertised at 8 different agency outlets SIMULTANEOUSLY.

We are talking about finding you a tenant or purchaser for you as quickly as possible.

Talk to one of us TODAY.

- ATLANTIC AGENCY - Tel. 93.25.68.68
6, boulevard des Moulins - Monaco
- Agence A.E.I.A. - Tel. 93.30.98.59
3, avenue de la Croisette - Monaco
- BREMOND - DOTTI IMMOBILIER - Tel. 93.25.50.25
5 bis, avenue Princesse Alice - Monaco
- JOHN TAYLOR AND SON - Tel. 93.50.30.70
20, boulevard des Moulins - Monaco
- IMMOBILI 2000 - Tel. 93.30.48.10
30, boulevard des Moulins - Monaco
- Agence du MPM - Tel. 93.30.40.26
25, boulevard Albert 1er - Monaco
- Agence IRIS - Tel. 93.30.53.33
4, rue des Iris - Monaco
- IMMOCONTACT - Tel. 93.25.51.22
4, avenue des Chênes - Monaco

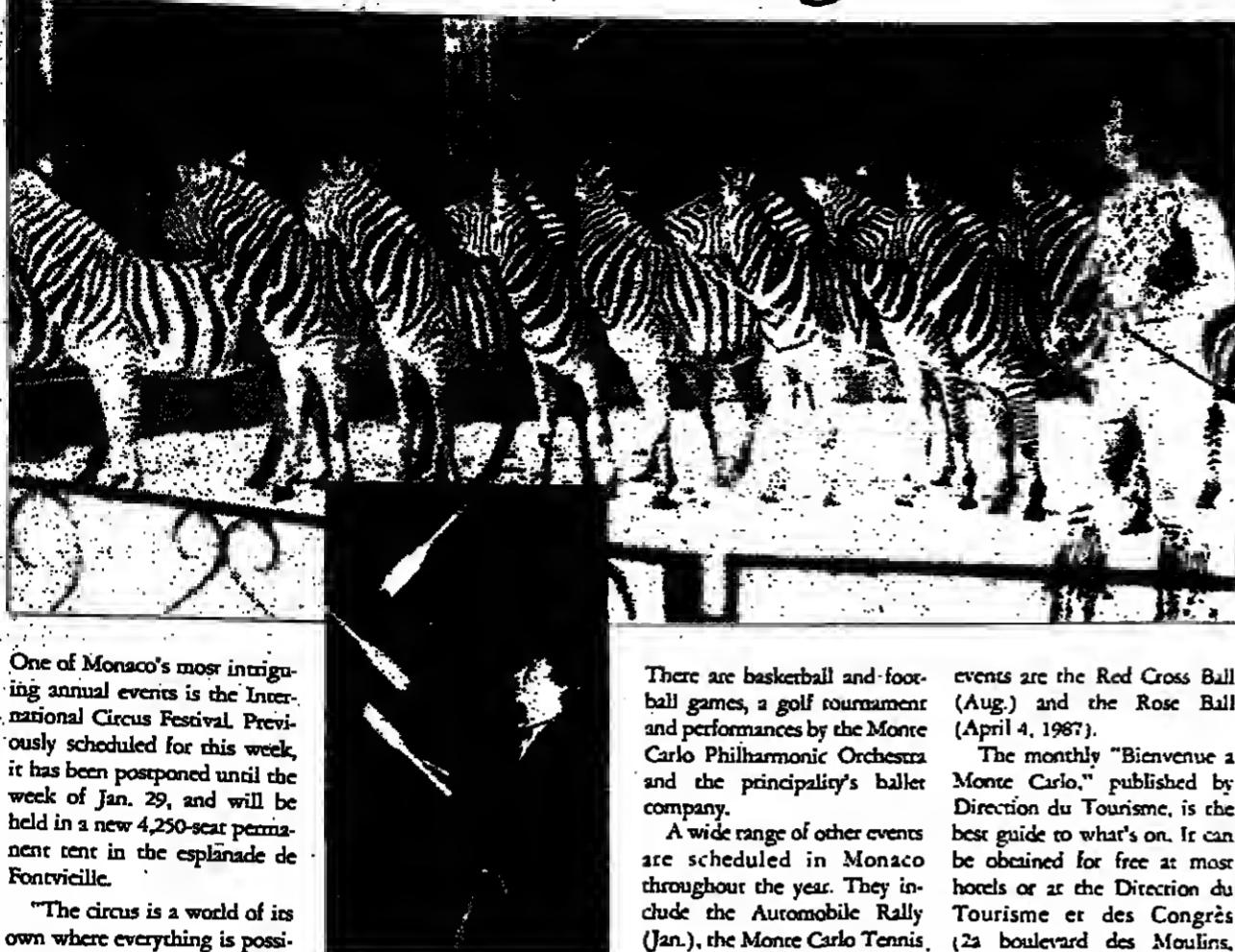
acropolis agency

2, avenue Saint-Laurent
Monte-Carlo Principauté de Monaco
Telephone 93.30.14.18

SAINT

ADVERTISING SECTION

The Circus Is Coming to Town



One of Monaco's most intriguing annual events is the International Circus Festival. Previously scheduled for this week, it has been postponed until the week of Jan. 29, and will be held in a new 4,250-seat permanent tent in the esplanade de Fontvieille.

"The circus is a world of its own where everything is possible," said Prince Rainier III when inaugurating the festival over a decade ago.

This year's festival features acts representing circuses in Bulgaria, Switzerland, Poland, West Germany, Great Britain, Germany, Italy, France, the U.S. and other countries.

Ticker prices range from FF 75 to 400, and children under

Traditional circus delights: jugglers and animal trainers.

12 are admitted at half price. The festival ends with a gala closing and the presentation of trophies, known as the Golden Clowns, by Prince Rainier.

During December, Monaco features numerous sporting, cultural and social events.

There are basketball and football games, a golf tournament and performances by the Monte Carlo Philharmonic Orchestra and the principality's ballet company.

A wide range of other events are scheduled in Monaco throughout the year. They include the Automobile Rally (Jan.), the Monte Carlo Tennis Open (April) and the Grand Prix Formula One race (May). Monaco also hosts the Spring of the Arts Festival (which next year will fill the main gardens with large sculptures), International Television Festival, International Fireworks Festival, International Dog Show and International Flower Arranging competition. The principality's two major social

events are the Red Cross Ball (Aug.) and the Rose Ball (April 4, 1987).

The monthly "Bienvenue à Monte Carlo," published by Direction du Tourisme, is the best guide to what's on. It can be obtained for free at most hotels or at the Direction du Tourisme et des Congrès (2a boulevard des Moulins, Tel.: 93.30.87.01).

events are the Red Cross Ball (Aug.) and the Rose Ball (April 4, 1987).

The monthly "Bienvenue à Monte Carlo," published by Direction du Tourisme, is the best guide to what's on. It can be obtained for free at most hotels or at the Direction du Tourisme et des Congrès (2a boulevard des Moulins, Tel.: 93.30.87.01).

"There is a wealth of good antiques and paintings to purchase here and the objects we sell at auctions are of the highest quality," said Christine de Massy of Christie's, which will auction art deco objects on February 1 and 18th-century furniture on April 3. "About 60 percent of the persons attending our auctions come from abroad, which is an illustration of the quality of the merchandise."

Monaco's range of financial services is vast and most companies are located in the vicinity of the casino in Monte Carlo. There are over 40 banks and financial institutions that have come to Monaco for one simple, obvious reason.

Dining Out in Wonderland

Sadly, Monaco has never been the focal point of French gastronomy. Even today there are only three restaurants that merit a Michelin star — and none that have been awarded two or three. But the one-stars have a good shot at being upgraded and new cooks are constantly being imported.

Dominique Le Scanc (18 boulevard des Moulins, Tel.: 93.50.63.37) is indisputably the best restaurant in town. Le Scanc is still under 30 and was trained by Lenôtre, Chapel and Senderens. His raviolis with artichokes, covered with scampi of truffle, and his delicate rouget with a light *Provencal* olive sauce are mouthwatering. Frequent diners can become club members and get a 15-percent discount.

Second to Le Scanc is another one-star, La Coupole in the Hôtel Mirabeau (1 avenue Princesse-Grace, Tel.: 93.25.45.45), where Yves Garnier, who used to work at Chez Georges in Paris, deftly handles the cuisine. The restaurant will soon be remodeled to include windows looking onto the Mediterranean. But in the meantime Garnier is creating a variety of dishes that expertly use such local ingredients as

olives, *Provencal* herbs, mushrooms and, of course, fresh fish. A businessman's menu is available at lunch for FF 175.

Both these eateries, however, could be challenged by the new Restaurant Louis XV, which will open in the Hôtel de Paris on May 27. The SBM has hired Alain Ducasse from the two-star La Terrasse at the Hôtel Juan in Juan-les-Pins to take over the Louis XV and supervise the kitchens at other restaurants in the hotel — including the Salle Empire and the Grill on the top floor. The latter, Monaco's third one-star restaurant, offers a splendid view of the principality and surrounding areas.

An equally interesting culinary event will be the opening of the Café Roger Vergé next March. Located in La Galedre Commerciale du Sporting d'Hiver, the café will serve what an SBM executive described as "young, modern, gay French food." Vergé, of course, runs the three-star Moulins de Mougin and the two-star Amandier de Mougin.

Meanwhile, SBM's restaurant in the Hôtel Hermitage, La Belle Époque, has been awarded the first Renaissance Trophy from the magazine

The Monaco Connection

For further information regarding Monaco, contact:

Direction du Tourisme et des Congrès de la Principauté de Monaco.
2a, bd des Moulins,
Monte Carlo,
MC 98030 Monaco Cedex.
Tel.: 93.30.87.01
93.50.60.88.
Telex 469760 MC.

Monaco Government Tourist and Convention Bureau.
845 Third Avenue.
New York, N.Y. 10022.
Tel.: (212) 759-5227.
Telex 424253.

Fürstentum Monaco
Staatliche Zentrale für
Tourismus und Kongresse.
Mainzer Landstraße 174/
Ecke Speyerer Straße 2-4.
6000 Frankfurt am Main 1.
Tel.: 069/73 05 39.
Telex 17 6997186.
Telex 6997186.

Office du Tourisme et des Congrès de la Principauté de Monaco.
Délégation pour la France,
la Belgique et

la Suisse Romande.
9, rue de la Paix.
75002 Paris.
Tel.: (16) 42.96.12.23.
Telex 215946F.

Monaco Government Tourist and Convention Office.
25 Whitehall,
London SW1A 2BS.
Tel.: (01) 930 4699.
Telex 889130 PPLUS.

Ufficio del Turismo e dei Congressi del Principato di Monaco.
Via Santa Sofia, 8.
20122 Milano.
Tel.: (02) 8690536.
Telex 334818.



THE METROPOLE OF MONACO

METROPOLE COMPLEX
Developer:
NABIL M. BOUSTANY

For further information, please contact:
THE METROPOLE SALES OFFICE
at:
17 GALERIE CHARLES III
MONTE-CARLO
P.O. Box 273,
MC 98005 Monaco Cedex.
Telephone: 93.50.15.10.
Telex: BOSTAN 499736.
Telex: 93.13.05.56

CARLO

Adream come true

MONTE CARLO

At the exclusive International business address in the heart of Monte-Carlo

GEORGE V

Monte-Carlo

Visit the show office now

14, Avenue de Grande Bretagne
Téléphone: 93.25.78.95
Telex: 469 130

Conventions :
Of the world's principal destinations, there is but one Principality.

Throughout the world, the name Monte-Carlo is synonymous with luxury and style.

A dramatic location offering sea, sun and many international sporting and cultural events throughout the year. One of the most stylish holiday destinations in the world, Monte-Carlo is also a hub for international business travel.

Unique Destination

Monte-Carlo is uniquely qualified as a convention and conference destination. The Convention Centre and Auditorium, a magnificent building overlooking the Mediterranean and the International Conference Centre are two of our numerous, versatile and up-to-date facilities.

Just steps away are Monaco's world famous hotels, the L'Hotel Monte-Carlo, the Beach Plaza and the hotels of the SBM (Hôtel de Paris, Hôtel Hermitage, Hôtel Mirabeau and the Monte-Carlo Beach).

Easy to reach

Monaco is only 40 minutes by road or

6 minutes by helicopter from Nice International Airport.

Attractive prices

From September 1st to July 15th, hotels in the Principality offer special conference rates. Additional reductions are offered from November 1st to March 31st. These are exceptional opportunities to give your event even more value for money.

At your service

In Monaco, all arrangements for your meeting or convention can be made through a single professional conference co-ordinator and his staff. One contact does it all, from hotels to gala dinners, from meeting rooms to concert tickets and ballet performances.

To find out about your meetings in Monaco, start with our office. We will give you words, pictures and advice, immediate clarification on dates, speedy help on rates and special opportunities.

For your next meeting or convention, choose the world's principal destination. Choose the Principality.

ADRIANO RIBOLZI
WORKS OF ART
MONTE-CARLO
6, AVENUE DES BEAUX-ARTS
TEL. (33) 93-30.62.55

CHRISTIE'S
MONACO
Fine Art Auctioneers since 1766

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below



Christie's Monaco,
Park Palace, Monte-Carlo. Tel.: 93 25 19 33.

PERMANENT EXHIBITION:
IMPRESSIONISTS AND MODERN MASTERS

PAINTINGS
DRAWINGS
SCULPTURE

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except on Saturday and Sunday

For information on buying or selling works of art, evaluations free of charge, or catalogues of our world-wide auction sales, please contact us at the address below

ARTIS MONTE-CARLO

1, Impasse de la Fontaine MC 98000 MONTE-CARLO
Tel.: 93 25 63 00

Opening hours: 9:30 - 12 a.m. and 3 - 7 p.m. - Except

Real Estate in Monaco: A Safe Investment in a Fluctuating Market

Monaco real estate is perhaps one of the Europe's most solid investments. The speculative days of a decade ago, when Italians flocked to the principality to get their money out of Italy and prices skyrocketed, are over. Monaco has returned to gradual but steady growth.

"The speculative era has run its course and there is again rationality in the local real estate market," said lawyer Jean-Charles Rey, who is also head of Monaco's parliament. "During the past 50 years I've seen speculation, periodic crises and flat markets, but I've never seen prices go down."

Until five years ago, speculators would buy apartments based on the plan and sell them for double or triple the investment before or upon completion. But today purchasers buy primarily for personal use and seem content with five-to-ten-percent annual growth.

Why is Monaco a potentially better investment than other areas? It has excellent security and stringent construction codes and building regulations.

More importantly, a lot of people want to live in the principality and there is limited space.

"People come to buy Monaco, not a particular development," noted Georges Abensour, the promoter of a development called Le Flore-

tan. "But today's products must be backed with superior quality, the latest security measures and state-of-the-art comforts because the people who buy want to move in."

What goes up must come down? Like other real estate markets, Monaco is somewhat cyclical and to an extent is influenced by French politics. Following the rampant speculation of the 1970s, there was a slowdown in 1981-1983, presumably due to the socialist takeover in France. Today there is a competitive, durable market with a clientele that consists of about 90 percent foreigners.

"There are over 60 real estate agencies here, which creates substantial competition for such a small area," said Raoul Boni, president of the Monaco Real Estate Association. "Prices range from FF 12,000 to 18,000 a square meter for apartments over ten years old and FF 22,000 to 30,000 a square meter for recently built apartments. There is a big price difference depending on location, floor and exposure."

There is also a notable change in architecture.

"There is an evolution in construction, from American-like dense, vertical buildings to more traditional structures," noted Bernard Fautrier, the

government councilor for public works and social affairs.

Fautrier points to the Mediterranean style of smaller apartment buildings on the reclaimed land in Fontvieille, as well as contemporary projects in Monte Carlo which adhere to the architectural spirit of earlier eras.

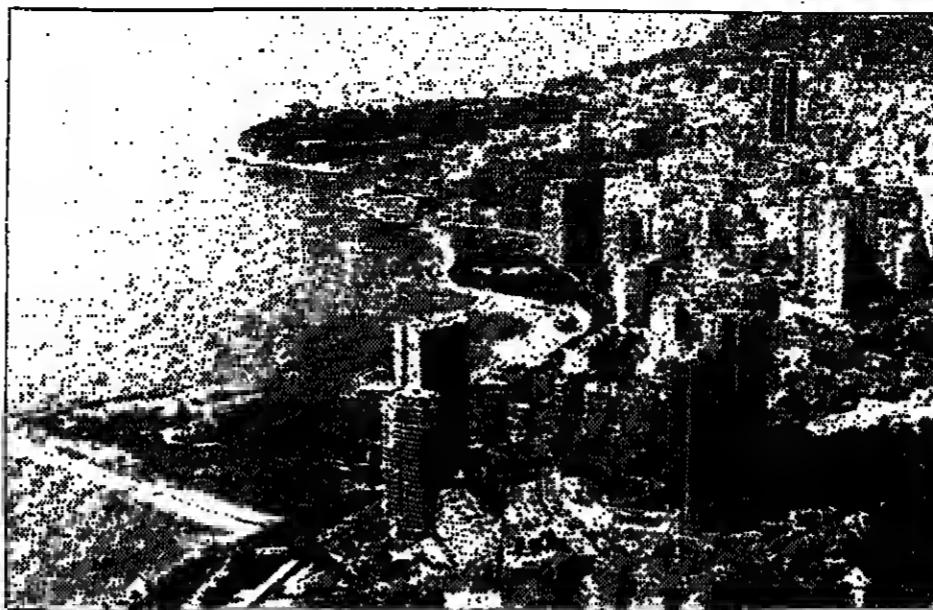
"Monaco is a good long-term investment for almost any type of apartment," said real estate agent Sultane Bolicine. "And there are, fortunately, still some capricious people who will buy the more expensive properties."

How to buy. Apartments can either be purchased directly from promoters, who usually have showrooms within a particular building or development, or through agencies at about the same price. Exclusivity is rare in Monaco and most agencies handle a similar range of properties.

Eight agencies (Atlantic, AFIM, Bremond, Immobilia 2000, Immocontact, IRIS, John Taylor and Sons, and Agence du Midi) recently grouped together to pool their listings in a central data bank. A client can gain access to the entire file — according to price, area, location, view and other criteria — by contacting any one of the eight.

"Everyone is going for the same market and our objective is to make it efficient for ourselves and customers," explained Jean-Paul Boisbouvier of the International Realty & Insurance Service (IRIS).

There are, of course, different ways to move into Monaco. Designer Karl Lagerfeld, whose Monaco apartment is decorated with furniture from the Memphis school, has



Real estate in Monaco is a mixture of traditional structures and modern high-rises.

worked out an interesting arrangement with the SBM. They are giving him the extraordinary three-story villa de la Vigie near the Monte Carlo Beach Hotel, which is actually on French territory and has been lying dormant for years, to use during his lifetime. In return, he is paying for the restoration.

How will other real-estate investors fare in the future? "Real estate will keep doing well in Monaco because people will keep wanting to live here," predicted Vernon Farnsworth, vice president at the Chase Manhattan Bank. "Prices are comparable with those in London, New York, Paris or Hong Kong and it is hard for buyers to go wrong."

This is confirmed by Alain Breton, manager of the Property Finance Division of Security Pacific Bank who is an expert in this field — he set up the financing of some of the most prestigious Monaco projects such as Park Palace, George V, Le Florestan and Eden Star.

expensive in the world, has sold or leased 45 of his 100 commercial boutiques and has rented or sold half the office space available in Monaco's most ambitious development. The hotel and apartments will be ready for occupancy next summer.

• **Le Park Palace**
Legadel S.A.
27, avenue de la Costa
Tel: 93.50.92.86

The Park Palace, located near the casino with its own exclusive shopping area, still has some studios and smaller apartments for sale. Perhaps the most intriguing buy is a top-floor duplex, with its own swimming pool, for FF 26 million.

Agencies. To purchase office space, commercial property or villas in Monaco, contact any of the following reputable real estate agents:

• **Acropolis**
2, avenue Saint-Laurent
Tel: 93.30.14.18
Apartments, villas and commercial space for sale or rent.

• **A.I. Bertola**
7, avenue des Papalins
Tel: 93.30.81.34
A specialist for apartments in Fontvieille where prices range from FF 28,000 to 35,000/square meter. A new building with 35 apartments is being planned for completion in 1989.

• **Comptoir Commercial Immobilier**
25, avenue de la Costa
Tel: 93.25.37.27
CIC, which began operations six months ago, has a variety of apartments and commercial space for rent or sale.

• **CCRG**
30, boulevard Princess Charlote
Tel: 93.30.32.33
CCRG buys, sells, administers or rents properties throughout Monaco.

• **Intermedia**
Passage de l'Ancienne Poterie
Tel: 93.50.66.84
One of Monaco's best-known and largest agencies, Intermedia is familiar with almost everything for sale or rent in the principality.

• **Palmero**
20, boulevard de Suisse
Tel: 93.30.76.77
Among the principality's newest agencies, Palmero also handles apartment management and administration.

For computer-assisted information, consult the data-base service offered by the following agencies: Atlantic (Tel: 93.21.68.68), AFIM (Tel: 93.30.98.59), Bremond (Tel: 93.25.50.25), Immobilia 2000 (Tel: 93.30.48.10), Immocontact (Tel: 93.25.51.22), IRIS (Tel: 93.30.53.53), John Taylor and Sons (Tel: 93.30.30.70) and Ageoce du Midi (Tel: 93.30.40.26).

Le dernier Carré... dans le "Carré d'Or" de Monte-Carlo



PARK
PALACE

Be one of the last privileged few to invest in the "Carre d'Or" of Monte-Carlo.

At the Park Palace, only a few apartments are still available.

Facing the sea, in the gardens which extend from the Casino, the Park Palace is expecting you and you are invited to visit its sumptuous apartments, its private interior swimming pool, its sophisticated security system and the luxury boutiques of its shopping gallery "Les Allées Lumières".

Information and sales:
LEGADEL S.A.

25, avenue de la Costa - Monte-Carlo
Tel: 93.50.82.86 - Telex: Legres 479276 MC
and at Real Estate Agencies
in the Principality of Monaco.

Financed by The Chase Manhattan Bank (Paris) •

What's in a Stadium? Everything From Pools to Schools

A sports stadium built on reclaimed land would not usually be on the top of anyone's list of things to see. But Monaco's Stade Louis II, which opened almost two years ago, is a vibrant, high-tech wonder in Fontvieille that is worth visiting for a workout or for one of the two organized tours every afternoon.

It is linked to the urban heating and cooling system, which uses energy generated by refuse incineration, and, like

the nearby apartment complexes, is equipped with pneumatic garbage disposals.

Space, of course, is at a premium in the principality.

Twenty percent of Monaco's Stade Louis II, which is built on reclaimed land and Fontvieille, the 22-hectare (54-acre) area of reclaimed land where the stadium is located, aptly illustrates how the local authorities put it to use. Stade Louis II is constructed on three hectares (7.5 acres) of land but contains 21 hectares of area. Named after Prince Rainier's grandfather, Louis II, the stadium took just over three years to complete and its expensive steel reinforcement can theoretically cope with an earthquake reaching a magnitude of 8 on the Richter scale.

Fontvieille is a marvel in land reclamation and the stadium is an exceptional utilization of space," said Bernard Fautrier, government councilor for public works and social affairs.

"We have attempted to be very diligent in the use of this valuable space because there is no

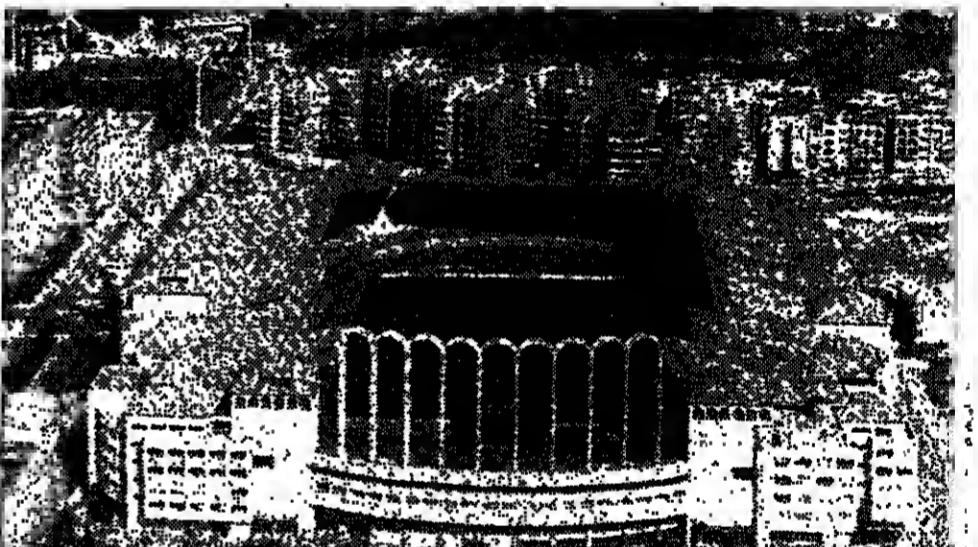
more sea for us to take — and I am not sure that people would today accept such massive reclamation projects for environmental reasons."

The most remarkable thing about Stade Louis II, which has a tiled roof and eaves that blend with the landscape, is that the playing field and seats for 20,000 spectators are constructed above the multipurpose gymnasium, diving pool, swimming pool and nine levels of office space (9,200 square meters or 30,000 square feet), exercise rooms, bars, restaurants and car park.

The gym has a seating capacity which varies from 2,000 to 3,700, depending on the sport, and is the scene of handball, volleyball, tennis, table tennis, boxing, fencing, gymnastics, wrestling, weightlifting and basketball competitions. The stadium is now home to 57 different athletic teams, including a basketball team (which, under the direction of American Bill Sweek, won its division during the first half of the season).

Fontvieille is a marvel in land reclamation and the stadium is an exceptional utilization of space," said Bernard Fautrier, government councilor for public works and social affairs.

"We have attempted to be very diligent in the use of this valuable space because there is no



Monaco's Louis II stadium, which was opened two years ago in Fontvieille, includes not only state-of-the-art athletic facilities but also schools, offices and restaurants.

son), but is open to anyone. The 50-meter swimming pool is a great place to work out between 7:30 a.m. and 2:30 p.m. (entry: FF 12).

A century ago Fontvieille was a natural beach, and the earliest attempts at reclamation occurred between 1880 and 1910. Public utilities were put on the first five hectares (14.4 acres) of reclaimed land, and a brewery and flour mill followed. But the main reclamation project began in the early 1960s and increased Monaco's national territory by nearly 16 percent. The works were completed in 1971.

Fontvieille, which is two-thirds owned by the state, now

industry with apartments and a functioning community. The 50-meter swimming pool is a great place to work out between 7:30 a.m. and 2:30 p.m. (entry: FF 12).

A century ago Fontvieille was a natural beach, and the earliest attempts at reclamation occurred between 1880 and 1910. Public utilities were put on the first five hectares (14.4 acres) of reclaimed land, and a brewery and flour mill followed. But the main reclamation project began in the early 1960s and increased Monaco's national territory by nearly 16 percent. The works were completed in 1971.

Fontvieille, which is two-thirds owned by the state, now

has its Monaco branch for younger (3- to 9-year-old) students.

"We use local professional

people to teach everything but

language courses," explained François de Bruyne, head of the European University in Mon-

aco which offers a four-year ca-

reer-oriented undergraduate pro-

grams in business administra-

tion.

The American International

School, which follows an

American curriculum, also

opened its facility in the stadi-

um in September and currently

has 19 students.

The primary section in Mo-

naco is for parents with young-

er children who do not want

to transport them to our loca-

tion in Saint-Laurent-du-Vau-

sant," says headmaster Richard Gra-

ham, noting that the student

body consists of a variety of na-

tionalities.

The stadium, of course, is

not the only place to keep in

physical or mental shape. The

Monte Carlo Country club has

23 tennis courts and the 18-hole

Monte Carlo Golf Club has a

panoramic view of the Riviera

which comforts even the worse

slacker. The outdoor saltwater

swimming pool, Stade Nau-

tre Rainier III, reopens in

May, and it's a breeze to sail,

windsurf, fish or dive in the

Mediterranean throughout the

year.

What happened to the old

stadium? Built by Louis II in

1937, it was demolished last

month to make way for a com-

mercial center.

réidence LE MONTAIGNE
CENTRE MONTE-CARLO
FOR SALE Last few studio and 2 large apartments with sea view still available.
6, Bd. des Moulins - Tel: 93.50.63.07

PRINCIPALITY OF MONACO

A.I. BERTOLA REAL ESTATE

BUYING - SELLING - RENTING - MANAGING

NEW BUILDINGS RIGHT ON THE SEA:

3 Rooms - 139 sq.m. F.F. 3,800,000

2 Rooms - 87 sq.m. F.F. 2,150,000

Near the Casino garden, selling and renting luxury shops of various dimensions.

For information, call: 93.50.88.04, or write to:

"Le Michelangelo" 7, Avenue des Papelins
Place du Port de Fontvieille MC. 98000 MONACO

AMERICAN INTERNATIONAL SCHOOL

ON THE COTE D'AZUR

PRIVATE NON PROFIT DAY SCHOOL OFFERING AN ENGLISH LANGUAGE EDUCATION FOR CHILDREN OF ALL NATIONALITIES AGED 5 TO 18 YEARS

• preparation for entry into the American and British university systems

• preparation for the following exams: TOEFL

AMEX prices	P-14	Statistics reports P-14
AMEX stocks	P-14	Stock rate notes P-8
NYSE stocks	P-7	Interest rates P-13
Congress studies	P-18	Interest rates P-7
Commodity rates	P-13	Interest rates P-7
Dividends	P-12	OTC stocks P-18
Dividends	P-18	Other markets P-18

TUESDAY, DECEMBER 2, 1986

INTERNATIONAL Herald Tribune

BUSINESS/FINANCE

Dow Industrials Slip
1.55. Story on Page 7.

4 P.M.
PRICES
DOWN

Page 13

INTERNATIONAL STOCK MARKETS**Hang Seng Rise Unchecked By Rumblings at Jardine**

By PATRICK L. SMITH

International Herald Tribune

HONG KONG — Nothing seems to stop the Hang Seng index from rising these days, not even the news last week that Jardine Matheson Holdings Ltd., Hong Kong's renowned trading house, had finished structuring an escape hatch from the territory.

When Jardine announced that it was moving its corporate headquarters to Bermuda, in March 1984, the Hang Seng lost 73 points in a single session. The disclosure was a significant factor in a crisis of confidence over Hong Kong's future after 1997, when China is to regain sovereignty.

Paradoxically, share prices reached a record after Jardine disclosed last Thursday that it had completed a reorganization that will ease its withdrawal from Hong Kong if it chooses to do so. Clearly the stock market, at least, has finally absorbed the long-term political factor, even if it remains sensitive to day-to-day rumblings in Beijing.

On Monday the Hang Seng index closed at 2,452, up 34 points from Friday's close. Jardine's shares, which were suspended for one trading session after its announcement, ended at 23.40 Hong Kong dollars (about \$3) a share, up 1.40 dollars.

The Hang Seng has risen 57 percent from its low point last March.

Analysts continue to rank Hong Kong, which has an overall price/earnings ratio of 14 to 15, high among the world's most attractive equity markets.

"We're still extremely optimistic about Hong Kong shares," said Lin Chee Ming, head of the broking department at Jardine Fleming (Securities) Ltd., "and it remains a very cheap market compared with Tokyo and most others."

LIKE MANY other brokers, Mr. Lin anticipates a Hang Seng of at least 2,500 by the end of the year, although few analysts of any persuasion would discount the prospect of some substantial profit-taking in the interim.

There is little in the territory's recent economic performance to blunt such enthusiasm. Export figures for October, released last week, showed a 41-percent rise from a year earlier, reflecting both increased demand for local products and an improvement in China's export-promotion drive.

The property sector, which directly accounts for almost half of the Hong Kong stock market, is equally healthy. Analysts note, for instance, that a site auctioned two weeks ago for \$45 million dollars was almost immediately subject to a private offer of \$70 million dollars from a Japanese consortium.

"We're looking for a strong economy to finance residential purchases by locals and for foreign buyers to support the commercial side," said an analyst at a British brokerage here.

The share market, after months of domination by foreign institutions, is now showing a similar mix of local and overseas interest. Hong Kong investors, most analysts believe, have now built up adequate asset bases abroad and are no longer net suppliers of stock.

Such property issues as Hongkong Land Co., Sun Hung Kai Properties Ltd. and Hang Lung Development Co. remain, as one analyst said, "the darlings of the investment community" despite the big gains they have already posted this year. So are such utilities as China Light & Power Co. and Hong Kong & China Gas Co.; the latter is viewed as a potential takeover target for British Gas Corp., whose shares are about to be traded in London.

Bank stocks are now viewed as attractive buys. They had underperformed relative to the overall market because of past weakness among local institutions and increased competition from mainland China banks. But September figures showed the first substantial growth in local loan demand this year, with mortgage approvals up by 16 percent from a year earlier.

Currency Rates

Cross Rates		D.M.	F.F.	G.P.	S.F.	Yen
Amsterdam	2.014	112.00	34.00	1.00	12.91	132.10
Brussels (a)	1.078	58.45	20.79	1.43	10.05	112.00
Frankfurt	1.961	58.45	20.79	1.43	10.05	112.00
London (D)	1.428	—	—	1.428 X	1.428 Y	1.3715
Milan	1.372	1.9615	69.15	21.57	1.428	1.3715
New York (c)	1.0645	49.15	17.00	1.0645	1.0645	1.0645
Paris	1.428	—	—	1.428 X	1.428 Y	1.3715
Tokyo	1.428	22.21	8.21	1.428	1.428	1.428
Zurich	1.428	23.64	8.58	1.428 X	1.428 Y	1.3715
1 ECU	1.0605	—	—	1.0605	1.0605	1.0605
1 SDR	1.2035	—	—	1.2035	1.2035	1.2035

Closings in London and Zurich. Figures in other European centers. Milan as of Nov. 22. New York rates as of 4 P.M. (a) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (b) Units of 100 (c) Units of 1,000 (d) Units of 10,000 (e) Not available; N.A.: not available; (f) To buy one pound: \$1.0645.

Other Dollar Values

Country	per U.S.\$	Conversion per U.S.\$	Currency per U.S.\$	Country	per U.S.\$	Currency per U.S.\$
Austria, central	1.725	—	4.002	Denmark	4.002	0.6461
Austria, dlr.	1.4247	—	4.002	Greece, drach.	2,141	3.0000
Austria, schill.	1.4247	—	4.002	Iceland	1.4247	1.4247
Baltic, dkr.	41.48	—	1.4247	Marx, krona	7.6765	3.6750
Baltic, kr.	41.48	—	1.4247	Malta, reais	12.11	1.4247
Belgium, franc	1.4247	—	4.002	Philippines, peso	1.4247	3.6750
Canada, dollar	1.4247	—	4.002	Portugal, escudo	1.4247	1.4247
Canada, loonie	1.4247	—	4.002	Romania, leu	3.7905	1.4247
China, yuan	3.7221	—	1.4247	Russia, ruble	1.4247	1.4247
Denmark, krona	1.4247	—	4.002	St. Lucia, dollar	2.3307	1.4247
Denmark, kroner	1.4247	—	4.002	Switzerland, franc	1.4247	1.4247
Denmark, kroner	1.4247	—	4.002	Turkey, lira	1.4247	1.4247
Denmark, kroner	1.4247	—	4.002	U.S. dollar	1.4247	1.4247
Egypt, pound	1.4247	—	4.002	U.S. dollar	1.4247	1.4247

2 Sterling: 1.0248 Irish £.

Sources: Banque de Belgique (Brussels); Banca Commerciale Italiana (Milan); Banca Nazionale di Roma (Rome); Bank of Tokyo (Tokyo); IMF (SDR); BAFU (Basel, Swiss, ducat); Gobank (Istanbul). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits		Dec. 1		Asian Dollar Deposits		Dec. 1	
1 month	Deutsche	1.00	1.00	1 month	Swiss	1.00	1.00
2 months	Deutsche	1.04	1.04	2 months	French	1.04	1.04
3 months	Deutsche	1.04	1.04	3 months	Swiss	1.04	1.04
4 months	Deutsche	1.04	1.04	4 months	Swiss	1.04	1.04
1 year	Deutsche	1.04	1.04	1 year	Swiss	1.04	1.04

Sources: Morgan Guaranty (deutsche), DM, SF, Pound, FF; Lydie Bank (ECU); Reuters (SDR). Rates applicable to Interbank deposits of \$1 million minimum (not cumulative).

1 Month: 1.0248 Irish £.

Source: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Gold

Dec. 1		Dec. 1		Dec. 1		Dec. 1	
Bank base rate	11	11	11	11	11	11	11
Call money	1.05	1.05	1.05	1.05	1.05	1.05	1.05
Short-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Medium-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Long-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Bank	11	11	11	11	11	11	11
Discount rate	3	3	3	3	3	3	3
Call money	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Short-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Medium-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Long-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75
France	7	7	7	7	7	7	7
Intervention rate	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Call money	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Short-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Medium-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75
Long-term interbank	7.75	7.75	7.75	7.75	7.75	7.75	7.75

Sources: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Job Loss In Japan Mounting**Manufacturers, Mines Hit Hard**

The Associated Press
TOKYO — Japan's large manufacturers have cut 20,000 jobs since last fall, largely because of the negative effects of the year's rise against the U.S. dollar, according to a government survey that was made public Monday.

The survey of employment at 110 large companies in 17 mining and manufacturing industries and 3 service sectors was conducted in early November by the Ministry of International Trade and Industry.

BUSINESS ROUNDUP

Veba Group Net Profit Rose 7% in 9 Months

Reuters

DUSSELDORF — Veba AG, the huge energy, chemical and trading group, said Monday that consolidated group net profit in the first nine months of this year rose 7 percent from a year earlier, to a provisional 488 million DM (\$247 million) from 456 million DM, despite a marked decline in revenue.

Revenue fell 19 percent, to 29.33 billion DM from 36.34 billion DM, it said.

Results for the year should at least match last year's profits, but this does not necessarily imply a higher dividend, the chairman, Rudolf von Bennigsen-Foerder, said.

Veba's world group consolidated net profit rose 28 percent in 1985, to 752 million Deutsche marks from 584 million DM in 1984. The dividend was raised 1 mark, to 10 DM.

The company said that the lower sales in the first nine months were primarily a result of the drastic fall in prices for crude oil, oil products and petrochemicals, as well as the sharp decline in the dollar.

However, the crude oil sector broke even, it said.

Results were again good in the electricity and chemicals divisions, and in trading and transport.

Mr. Bennigsen-Foerder said that if the current favorable economic conditions continued, he expected good results next year.

Business so far in the final quarter indicated that no disappointments were expected, he said.

Tidings of Comfort and Joy for U.S. Stores

New York Times Service

NEW YORK — Encouraged by a stronger-than-usual crush of post-Thanksgiving Day shoppers, U.S. retailers are estimating that this past weekend — the first weekend of the Christmas season — will, when the results are in, show sales gains of 6 percent to 12 percent over last year.

Part of the upsurge, retailers in nearly a dozen cities said, can be attributed to fair weather in many areas of the country. Erratic weather, they said, had deterred shoppers during much of November.

The retailers, who were interviewed on Friday, also said heavy price promotions in apparel, electronics and home furnishings will help sales.

The 27-day Christmas shopping period that began Friday has one day more than the period last year. And some retailers have made changes in strategy to assure the big profits — as much as 50 percent of the year's total — traditionally made during the season.

Inventory controls are tighter and more efficient in many stores than last year, when ebbs and flows in sales created an overstock of merchandise that had to be carried over into early 1986, leading to sharp markdowns.

Advertised changes range from more intensive use of print, direct mail and television to a sharpened focus on catalogs.

In Chicago, Dennis S. Bookbinder, chairman of the retailing division at Carson Pirie Scott & Co., said: "I've never seen our stores this busy on a Thanksgiving Day weekend. We had 500 people waiting

for the downtown store to open, and it's been busy since."

In New York, Marvin Traub, chairman of Bloomingdale's, estimated that Friday's business, through early afternoon, was up 12 percent over the comparable day in 1985. At Willoughby's, the camera and electronics specialty store, Erich Hirschfeld, the president, said weekend sales were rising sharply over a slow previous week, "reflecting the fact that people are in a buying mood."

Anthony R. Conti, chairman of B. Altman's, spoke of "excellent gains" in sales of fine jewelry and in women's apparel and accessories.

Jordan Marsh Co., Boston, is having "substantially better business than a year ago, because the economy in the area is very strong and unemployment is at an all-time low," according to Elliot J. Stone, chairman of the 19-store chain.

K mart Corp., of Troy, Michigan, the second-largest U.S. retailer, has found "exceptionally strong business in the Midwest" and good business in the East, a spokesman said.

At the Emporium in San Francisco, a spokesman said that chain was "encouraged" by strong sales on Friday.

UK Mortgages for Expatriates

* Interest only * No capital repayment

Phone Richard Appleyard (in London) on

01-380 5019

CHEMICAL BANK

One of the world's largest international banks

Rothschilds International Money Funds

The efficient alternative to a deposit account in any major currency.

For further information and the current prospectus, please complete and return this coupon to: Robin Fuller, N M Rothschild Asset Management (C.I.) Limited, P.O. Box 242, St. Julian's Court, St. Peter Port, Guernsey, Channel Islands. Telephone: Guernsey (4481) 26741.

Name _____

Address _____

A110

N M ROTHSCHILD ASSET MANAGEMENT

All of these securities have been sold. This announcement appears only as a matter of record.

5,500,000 Shares**Kleinwort Benson Australian Income Fund, Inc.****Common Stock**Kidder, Peabody & Co.
Incorporated

Bear, Stearns & Co. Inc.

The First Boston Corporation

Alex. Brown & Sons
IncorporatedDrexel Burnham Lambert
Incorporated

Goldman, Sachs & Co.

Hambrecht & Quist
IncorporatedLazard Frères & Co.
IncorporatedMorgan Stanley & Co.
IncorporatedSalomon Brothers Inc
Incorporated

William Blair & Company

A. G. Edwards & Sons, Inc.

EuroPartners Securities Corporation

Swiss Bank Corporation International Securities Inc.

ABD Securities Corporation

Advest, Inc.

Arnhold and S. Bleichroeder, Inc.

Robert W. Baird & Co.
IncorporatedBateman Eichler, Hill Richards
IncorporatedBlunt Ellis & Loewi
Incorporated

Boettcher & Company, Inc.

Butcher & Singer Inc.

Cable, Howse & Ragen

Dain Bosworth
Incorporated

Daiwa Securities America Inc.

Eberstadt Fleming Inc.

Eppler, Gneirn & Turner, Inc.

Fahnstock & Co. Inc.

First Albany Corporation

First of Michigan Corporation

Howard, Weil, Labonisse, Friedrichs
Incorporated

Johnson, Lane, Space, Smith & Co., Inc.

Interstate Securities Corporation

Janney Montgomery Scott Inc.

McDonald & Company
Securities, Inc.Piper, Jaffray & Hopwood
Incorporated

Ladenburg, Thalmann & Co. Inc.

Legg Mason Wood Walker

Morgan Keegan & Company, Inc.

Moseley Securities Corporation

Moseley Securities Corporation

Neuberger & Berman

The Ohio Company
IncorporatedPiper, Jaffray & Hopwood
Incorporated

The Robinson-Humphrey Company, Inc.

The Illinois Company
Incorporated

Rothschild Inc.

Sutro & Co.
Incorporated

Tucker, Anthony & R. L. Day, Inc.

Wheat, First Securities, Inc.

Birt, Wilson Securities, Inc.

Brean Murray, Foster Securities Inc.

The Chicago Corporation

R. G. Dickinson & Co.

The Illinois Company
Incorporated

Johnston, Lemon & Co.

Josephthal & Co.
Incorporated

The Milwaukee Company

Anderson & Strudwick
IncorporatedMorgan, Olmstead, Kennedy & Gardner
Incorporated

Newhard, Cook & Co.

Parker/Hunter
Incorporated

Raymond James & Associates, Inc.

Richardson Greenshields Securities Inc.

Hanifen, Imhoff Inc.

Sanyo Securities America Inc.

Seidler Amdec Securities Inc.

Anderson & Strudwick
IncorporatedRaffensperger, Hughes & Co.
IncorporatedRaffensperger, Hughes & Co.
Incorporated

Jesup & Lamont Securities Co., Inc.

Keane Securities Co., Inc.

Oberweis Securities, Inc.

Raffensperger, Hughes & Co.
IncorporatedRaffensperger, Hughes & Co.
Incorporated

R. Rowland & Co.

Scott & Stringfellow, Inc.

Edward A. Viner & Co., Inc.

Wedbush, Noble, Cooke, Inc.

Wedbush, Noble, Cooke, Inc.

Trading Put at \$55 Billion In Tokyo Offshore Market

Associated Press

TOKYO — Some \$55 billion was shifted from domestic to "off-shore" accounts on Monday as Japan began allowing banks to make loans to foreigners or take deposits from them without all the restrictions applied to domestic banking, according to the Kyodo News Service.

Some government and bank officials said, however, that enough restrictions remained to hamper the market's growth. The market is the latest in a series of steps taken to liberalize Japan's money markets, make Tokyo more of a world financial center and internationalize the yen.

Kyodo quoted banking sources, however, as saying most of the funds shifted to offshore accounts on Monday went in to Tokyo's offshore market in 1981.

Unlike other offshore markets, transactions in Tokyo's market are subject to local taxes and stamp duties, and banks may not use the offshore account to invest in securities.

In a message on the Japanese market's inauguration, Finance Minister Kiichi Miyazawa said the government would take "every measure it can to make the market more useful and attractive to users."

By the end of last week, the ministry had approved applications from 181 Japanese and foreign banks to engage in the market. But officials said several major foreign banks held back.

Voest Is Main Test of Plan on Austrian State FirmsBy John Tagliabue
New York Times Service

VIENNA — Austria's two largest parties suffered serious losses in national elections on Nov. 23, but it is likely to be a while before anyone knows just how the country's huge nationalized industries, rocked last year by losses and scandals, will be affected.

The question is whether new government leaders can swallow the bitter pill that is prescribed by performance-oriented managers who were brought in to straighten out the jumble of 198 companies that form the nationalized sector.

Those companies, which make everything from automobiles to ice skates, have posted aggregate losses of \$1.35 billion in recent years, forcing the government to commit \$2.2 billion in subsidies to keep them going.

The litmus test, by all accounts, will be how Voest-Alpine AG, the steel conglomerate that posted a \$778-million loss last year, much of it from speculation in oil futures at its trading arm, Voest Interaustria.

To clean up the mess, Chancellor Franz Vranitzky, a former banker and finance minister, brought in Herbert C. Lewinsky, 58, a former head of Mobil Oil in Europe.

Mr. Lewinsky gained a reputation as a corporate fixer by keeping Mobil's troubled European operations afloat through the worst of the oil price crisis.

Last week, as Mr. Vranitzky's Socialists and the conservative People's Party of the opposition leader, Alois Mock, were negotiating a grand coalition to govern Austria for the next four years, Mr. Lewinsky and his team were getting back to work after the distractions of an election campaign that often transformed Voest into a political football.

For some analysts, the test now is whether government and finance minister, brought in to break with that corporate culture, that Mr. Lewinsky hopes for.

"There's a lot of unrest," one Socialist leader said. "The workers look at people like Lewinsky and Bodogandy and their plans and ask:

"Did we have to bring in outsiders? Couldn't we do it ourselves?"

Voest, with its huge work force and annual sales of \$6.8 billion, is at the heart of the nationalized industries. It accounts for about 15 percent of all Austrian jobs.

Moreover, political leaders of all persuasions are committed to selling off some of the nationalized companies. But with Voest in the

doldrums, investor enthusiasm, even for profitable state-owned companies, may be difficult to stir.

Mr. Lewinsky's idea is to recast the company as a high-technology engineering concern based on refined steelmaking activity.

To help him, the government pledged \$1.5 billion. In turn, Mr. Lewinsky vowed to put Voest back in the black by 1990.

Investor interest, even for profitable state-owned firms, may be hard to arouse.

tions and slashing 10,000 jobs from a payroll of 70,000.

Over the years Austria's economy has quietly outperformed most others in Europe, with moderate growth, low inflation and consistently low unemployment.

In a kind of consensus, labor leaders avoided costly strikes and accepted moderate wage increases in exchange for politicians' pledges of full employment.

For some analysts, the test now is whether government and finance minister, brought in to break with that corporate culture, that Mr. Lewinsky hopes for.

"There's a lot of unrest," one Socialist leader said. "The workers look at people like Lewinsky and Bodogandy and their plans and ask:

"Did we have to bring in outsiders? Couldn't we do it ourselves?"

Voest, with its huge work force and annual sales of \$6.8 billion, is at the heart of the nationalized industries. It accounts for about 1

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low Stock	Div. Yld.	Tk. PE	Sls.	100% High	Low	Close	Quot. Chge
A								
140% 63% ACI Hldg	120 34	.95	1400	140	140	140	140	+1
120% 18% ACI Lhdg	120 17	.95	1100	140	140	140	140	+1
120% 13% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 23% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 24% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 25% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 26% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 27% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 28% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 29% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 30% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 31% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 32% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 33% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 34% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 35% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 36% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 37% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 38% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 39% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 40% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 41% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 42% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 43% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 44% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 45% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 46% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 47% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 48% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 49% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 50% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 51% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 52% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 53% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 54% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 55% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 56% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 57% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 58% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 59% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 60% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 61% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 62% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 63% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 64% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 65% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 66% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 67% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 68% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 69% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 70% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 71% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 72% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 73% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 74% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 75% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 76% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 77% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 78% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 79% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 80% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 81% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 82% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 83% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 84% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 85% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 86% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 87% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 88% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 89% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 90% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 91% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 92% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 93% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 94% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 95% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 96% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 97% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 98% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 99% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 100% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 101% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 102% CMC Corp	120 12	.95	1200	120	120	120	120	+1
120% 103% CMC Corp	120 12	.95	1200	120				

CURRENCY MARKETS

Dollar Still Lower on Iran Worries

Compiled by Our Staff From Dispatches

NEW YORK — The dollar slipped in quiet New York trading Monday after falling to a six-year low against the Deutsche mark in Europe. Concern over the U.S. supply of arms to Iran and its potential impact on the Reagan administration gripped foreign exchange markets, dealers said.

The U.S. currency fell to 1.9675 Deutsche marks at the close in New York from 1.9715 DM Friday; to 1.6390 Swiss francs, after 1.6415; and to 6.4428 French francs from 6.4575. The British pound gained, to \$1.4380 from \$1.4345.

The dollar rose only against the yen, to 162.25 from 161.85.

THE EUROMARKETS

More Than \$1 Billion in Debt Is Launched

By Christopher Pizzey

Reuters

LONDON — The primary-market sector of the Eurobond market had an active day Monday, with more than \$1 billion of new debt launched, most of it during the morning, dealers said.

Three new floating-rate-note issues were launched, but dealers said there did not appear to be any great investor demand for them. Two launched were three-dollar straight bond issues, two of which met quite good demand.

In the secondary market, the FRN sector was again selectively weaker, with some issues down sharply.

The day's first issue was a collateralized mortgage-obligation float. The issue was for Euro CMO Trust, a special-purpose vehicle,

The big move downward "happened in Europe," said Daniel Holland, vice president of Discount Corp. of New York.

Mrs. Holland said there was a view that the Reagan administration "is losing some of its support. The confidence that we have had for five years is eroding and that's a negative" for the dollar.

In London, the dollar closed at 1.9650 DM, down from Friday's finish of 1.9725 DM. The dollar also fell against the Swiss franc, closing at 6.4370 francs after Friday's 6.4318, and against the French franc, to 6.4330 from 6.4325. The pound gained, to \$1.4380 from \$1.4345.

The dollar rose only against the yen, to 162.25 from 161.85.

The dollar had rallied from the day's low of 1.9555 DM, largely on short-covering spurred by concern about the possibility of the Bundesbank's buying dollars to support the U.S. currency.

European dealers said news Monday that U.S. construction spending had risen 1.6 percent in October also supported the dollar.

Earlier in the afternoon, in Frankfurt, the dollar was fixed at 1.9611 DM, its lowest fixing since January 1981, down from 1.9773 DM on Friday.

In Paris, the U.S. currency slid to 6.4200 francs at the fixing, nearly 6 centimes lower than 6.4285 Friday. (UPI, Reuters)

London Dollar Rates

Source: Reuters

ELDERLY: Companies Increasingly Wooing Wealthy, Growing Market

(Continued from first finance page)
50 or over as one homogeneous group," said Deborah Moroney, director of marketing for Simmons Market Research. "People are starting to realize that's not true."

Some marketers have suggested breaking down the group into three categories: those in their 50s to early 70s; those between 75 and 85; and those over 85.

Many in the first group are retirees, enjoying newly acquired leisure. They are a good market for recreational products and services, and are eager to spend on themselves, because the financial burdens of raising a family are behind them. By this age, the children's college education is usually paid for, the mortgage often retired.

Those between 75 and 85 are beginning to slow down, but continue to pursue some leisure activities. Health sometimes a problem, and special care is often needed. They are also a captive market for services once performed by themselves, such as lawn care, house cleaning or cooking.

Analysts said the move would dampen GM's efforts to persuade investors that it is placing its troubled finances in order. The automaker reported an operating loss of about \$338 million for the third quarter.

The move "shows how entrenched Roger Smith and his cronies are in the GM bureaucracy," said Michael Luckey, an auto analyst with Shearson Lehman.

Ronald Glantz, an analyst with Montgomery Securities, said that the \$750 million could have paid for a new GM project.

"I wonder what the UAW," or United Auto Workers, "will think when GM doesn't have the money to keep up profit-sharing payments to workers but has enough money to make a billionaire even richer," he said.

"The stereotypically elderly per-

son is really a rarity in our society," he said. "There are indeed retirement communities where shuffleboard is the most vigorous activity, but in the mainstream there is a vitality that we either weren't aware of or wasn't there before."

One popular form of defining consumer groups, called psychographics, is now being tried out on older consumers for the first time by SRI International, a computer research organization in California. He has determined market niches by using psychological data about people in a certain age group.

For example, in the 65-75 age category, he has found a group he calls the "self-compensators" — people who never get a chance to do things when they were young. These people are the ideal market for extravagance and attention-getting products, such as boats and sports cars. Mr. Golub said.

This is not to say that all efforts aimed at a broader mix of elderly will fail flat. Sears and Montgomery Ward are among companies that have established coupon clubs for con-

siders 50 and over. The clubs coordinate special discount programs. The Sears club, begun in 1983, has 20 chapters and a million members. The Montgomery Ward club, begun last year, has more than 100,000 members.

"We have a very mixed and varied group of people," said a Sears spokesman, Joyce Cochenour. She said the company would probably split the club into different market segments when it got a bit bigger.

K Mart created special hours during the last holiday season when it opened its stores only to those 55 and over. A company spokesman said the promotion "extremely successful," and said it will be offered again this year.

Southwestern Bell, which began marketing a Silver Pages directory in St. Louis, Missouri, two years ago, plans to publish directories in 90 cities by year-end. The directory, which features advertisements from area merchants promising discounts to those over 60, has exceeded revenue projections, although it has not yet turned a profit.

Companies are taking other

tacks, as well. Several drugstore chains, for example, are designing systems so that older consumers will not need to walk up and down aisles, reach for products and then carry them to the cashier. Instead, the consumer would push a button to call up a product on the store's specially equipped television screen. A nearby phone would connect the customer to a pharmacist or nurse to answer any questions. The selected products would then be waiting at the checkout counter.

Whether aiming at a specific segment or the older group as a whole, it is important to present a product or service in an upbeat way, marketers agree.

For instance, several major real estate concerns, including Oxford Development Co. and Marriott Corp., have touted the active way of life available at the luxurious retirement communities they have designed for those over 70.

"Older people don't feel like they're winding down; they think of themselves as with it," said Barbara Feigin, executive vice president of Grey Advertising. "The advertising has to reflect that."

PEROT:
GM Plans Buyout

(Continued from page 1)

A services company to American Telephone & Telegraph Co.

AT&T's chief financial officer.

Robert Kavner, confirmed, however, that talks between GM and AT&T took place. The two sides reportedly remained far apart on price.

The Wall Street Journal said that the proposal to buy out Mr. Perot called for the top 200 employees of Electronic Data Systems to agree to stay with the company for about one year.

Analysts said the move would dampen GM's efforts to persuade investors that it is placing its troubled finances in order. This group has the hardest time shopping and getting around, and often has difficulty with things many people take for granted: opening doors or reaching for the top shelf, for example.

But if there are no time-tested marketing formulas to grab the older consumer, advertisers have become especially sensitive to advertising that calls attention to the intended audience.

According to Joseph Smith, the president of Oxtoby-Smith Inc., a New York-based consumer-research firm, psychological age, the age people perceive themselves to be, is more important in marketing than chronological age. The definition of what it means to be old is changing, and marketers need to reflect that change.

David J. Davies resigned as managing director of Hongkong Land Co. in July, apparently because he disagreed with the Keswick strategy of dismantling it — and he was

not the only executive to go. On arriving, Mr. Keswick evicted the previous chairman, David K. Newbigging, and about 40 other executives.

The upheaval was all the more striking because Jardine Matheson had been noted for its relaxed management style, cultivated by generations of young Oxford and Cambridge graduates.

In the last few years, Mr. Keswick has dumped several lines of business as well as business.

"It's a genuine recovery, in that they've managed to get rid of the rubbish," said Christopher Chong, an analyst at James Capel Ltd. in

Hong Kong. "They're out of shipping and oil, but where do they go from here?"

When the restructuring is complete in a few months, Mr. Keswick will focus on six semi-autonomous areas: engineering and construction; insurance and securities; transport, including ship brokering and management; marketing and distribution, including wine, cars and the Pizza Hui restaurants and 7-Eleven stores that it operates under license; hotels, including 10 luxury hotels in the Mandarin Oriental group soon to be spun off from Hongkong Land, and the real-estate interests of Hongkong Land itself.

JARDINE: Under Latest Keswick, It Weathers Storm

(Continued from first finance page)

duced to its property core, and as a further indignity Mr. Keswick will insist on the conversion of its convertible preferred stock into Hongkong Land common shares.

He will reduce Jardine's stake in the land company to 26 percent, from 35 percent. Some analysts expect Jardine to continue to part its real estate holdings in Hong Kong because of concerns about having China as the landlord after 1997.

David J. Davies resigned as managing director of Hongkong Land Co. in July, apparently because he disagreed with the Keswick strategy of dismantling it — and he was

not the only executive to go. On

arriving, Mr. Keswick evicted the previous chairman, David K. Newbigging, and about 40 other executives.

The upheaval was all the more

striking because Jardine Matheson

had been noted for its relaxed

management style, cultivated by

generations of young Oxford and

Cambridge graduates.

In the last few years, Mr. Keswick has dumped several lines of

business as well as business.

"It's a genuine recovery, in that

they've managed to get rid of the

rubbish," said Christopher Chong,

an analyst at James Capel Ltd. in

Hong Kong. "They're out of ship-

ping and oil, but where do they go

from here?"

When the restructuring is com-

plete in a few months, Mr. Keswick

will focus on six semi-

autonomous areas: engineering

and construction; insurance

and securities; transport, including

ship brokering and management;

marketing and distribution, including

wine, cars and the Pizza Hui

restaurants and 7-Eleven stores that it

operates under license; hotels, in-

cluding 10 luxury hotels in the

Mandarin Oriental group soon to be

spun off from Hongkong Land,

and the real-estate interests of

Hongkong Land itself.

JARDINE: Under Latest Keswick, It Weathers Storm

(Continued from first finance page)

produced to its property core, and as a further indignity Mr. Keswick will insist on the conversion of its convertible preferred stock into Hongkong Land common shares.

He will reduce Jardine's stake in the land company to 26 percent, from 35 percent. Some analysts expect Jardine to continue to

part its real estate holdings in

Hong Kong because of concerns

about having China as the landlord

after 1997.

David J. Davies resigned as man-

aging director of Hongkong Land

Co. in July, apparently because he

disagreed with the Keswick strate-

gy of dismantling it — and he was

not the only executive to go. On

arriving, Mr. Keswick evicted the

previous chairman, David K. New-

bigging, and about 40 other execu-

tives.

The upheaval was all the more

striking because Jardine Matheson

had been noted for its relaxed

management style, cultivated by

generations of young Oxford and

Cambridge graduates.

In the last few years, Mr. Keswick

has dumped several lines of

business as well as business.

"It's a genuine recovery, in that

they've managed to get rid of the

rubbish," said Christopher Chong,

an analyst at James Capel Ltd. in

Hong Kong. "They're out of ship-

ping and oil, but where do they go

from here?"

When the restructuring is com-

plete in a few months, Mr. Keswick

will focus on six semi-

autonomous areas: engineering

and construction; insurance

and securities; transport, including

ship brokering and management;

marketing and

SPORTS

Hamilton Wins CFL Grey Cup

Compiled by Our Staff From Dispatches.

VANCOUVER, British Columbia — Mike Kerrigan threw two touchdown passes, and the Hamilton Tiger-Cats put on a tenacious defensive display Sunday to win their 14th Canadian Football League championship with a 39-15 upset of the Edmonton Eskimos.

The Tiger-Cats, 12-point underdogs after an unimpressive 9-8-1 season, stunned the league-leading Eskimos before 59,621 fans in winning the 74th Grey Cup game.

A week earlier, Hamilton overcame a 26-point deficit to defeat the Toronto Argonauts in the Eastern Division final.

The Hamilton defense sacked quarterback Matt Dunigan 10 times and forced eight turnovers — a blocked punt, five fumble recoveries and two interceptions — that resulted in two touchdowns and two field goals.

The Eskimos were also stopped on two goal-line stands.

"We had to get to Dunigan," said defensive end Joey Covington, who had three sacks. "Whenever you throw a quarterback off his rhythm, he's in trouble, and we had people in his face all day."

The Tiger-Cats, who led 29-0 at halftime, also were helped by kicker Paul O'Callaghan, who tied a Grey Cup record with six field goals.

Kerrigan, a 26-year-old who joined Hamilton from the New England Patriots at the start of the season, opened the scoring with a 35-yard TD pass to receiver Steve Stapler at 1:35 of the first quarter.

The touchdown had been set up on the previous play, when tackle Mitchell Price recovered a Dumb gun fumble on the first Edmonton possession of the game.

Six minutes later, Hamilton defensive back Mark Streeter, a second-year pro out of the University of Arizona, blocked a Tom Dixon punt on the Eskimo goal line. Cornerback Jim Rockford jumped on the ball in the end zone to give Hamilton a 14-0 lead midway through the opening quarter.

Hamilton's only other touchdown came at 3:57 of the third period, when Kerrigan, a 4,000-yard passer in four years at Northwestern University, found receiver Ron Ingram on a 44-yard strike.

"It just feels fantastic," said Kerrigan, who completed 16 of 35 passes for 309 yards. "I can't compare the Grey Cup to anything I've ever been in before in the States. At Northwestern, I think the only team I ever beat was Wyoming."

Backup quarterback Damon Allen, younger brother of Los Angeles Raider running back Marcus Allen, was involved in both Eskimo touchowns. He scored on a 6-yard run at 12:21 of the third quarter and threw a strike to Brian Kelly at 13:30 of the final period.

Dixon converted the first Eskimo score, while Allen ran the ball in for a two-point conversion after the second.

Allen, a second-year pro from Cal-State Fullerton, shared the duties with Dunigan after Edmonton's disastrous first half.

"They beat our tails," said Edmonton Coach Jackie Parker. "We couldn't get things going, but Hamilton caused a lot of that."

(UPI, AP)



Quarterback Mike Kerrigan, sipping champagne from a brimming Grey Cup.

Zoeller Calmly Hits a Pair of Jackpots, Skins Three Colleagues for \$370,000

By Dave Anderson

New York Times Service

LA. QUINTA, California — With two wins streaks near the 15th green at the PGA West Stadium course here Sunday, Fuzzy Zoeller and Jack Nicklaus defined golf's Skins Game better than anyone else has.

"Sure beats hell out of working," Zoeller said with a smile.

"Depends whether you get a paycheck of not," Nicklaus said.

As it developed, Nicklaus would not earn a dime while Frank Urban Zoeller would collect \$370,000 over 18 holes, including \$135,000 with an 8-foot (24.3-meter) putt to save a par 4 at the 13th hole and \$140,000 with a 25-foot putt for a birdie 2 at the 17th. In only two appearances, Zoeller is already the shark of the Skins Game, having earned a two-year total of \$625,000.

To appreciate that sum, consider that while winning a record 34 tournaments over nearly four decades on the PGA tour, Sam Snead amassed only \$620,126.

In the Skins Game's two-bit, all-tie format, carryovers Sunday created the jackpots on the 13th and 17th holes that Zoeller won as much with his temperament as his skill.

"I don't get tense," he said later. "The bottom line is, I don't mind choking. Pressure, whatever you want to call it, I love it. If I blow a shot, I blow it. But I love it."

At 36, Zoeller was the youngest of the Skins Game foursome. Arnold Palmer is 57, Lee Trevino turned 47 on Monday and Nicklaus will be 47 next month.

"I appreciate you guys doing that," Zoeller said with a grin, "thinking of the younger guys coming up." Palmer smiled slowly and said, "Yes."

As the 1984 U.S. Open champion and the 1979 Masters champion, Zoeller had been invited to the Skins Game last year, the choice of what the PGA tour described as a "blue-ribbon" panel. But his personality surely had been a factor in his selection. If he had been just another touring clone, he might not have had the opportunity to earn \$625,000 over 36 holes. And as this year's champion, he now is assured of returning next year.

"I tell you what I'll do for you, three guys next year," Zoeller said, turning to Nicklaus, Palmer and Trevino. "I'll send a limo for you," Palmer added.

"I'm not going to do that," Palmer said with a grin, "thinking of the younger guys coming up." Palmer smiled slowly and said, "Yes."

As the 1984 U.S. Open champion and the 1979 Masters champion, Zoeller had been invited to the Skins Game last year, the choice of what the PGA tour described as a "blue-ribbon" panel. But his personality surely had been a factor in his selection. If he had been just another touring clone, he might not have had the opportunity to earn \$625,000 over 36 holes. And as this year's champion, he now is assured of returning next year.

"I tell you what I'll do for you, three guys next year," Zoeller said, turning to Nicklaus, Palmer and Trevino. "I'll send a limo for you," Palmer added.

"I'm not going to do that," Palmer said with a grin, "thinking of the younger guys coming up." Palmer smiled slowly and said, "Yes."

Recognized for his stability as an offensive coordinator and quarterback developer as a college and NFL assistant, Dowhower had a 5-24 record — the worst among ac-

tive coaches — in two seasons with the Colts.

Mayer, 45, coached the NFL New England Patriots from 1982-84, compiling an 18-15 record. He entered the league after coaching at Nevada-Las Vegas and Southern Methodist; he had a 61-39-1 college record, and his final two teams at SMU won 18 of 22 games.

Brown was in his fifth season as coach of the Knicks. He led them to the Eastern Conference semifinals his first two years, but the team was 24-38 and 23-59 the last two seasons after injuries to Bernard King, Bill Cartwright, Pat Cummings, Patrick Ewing, Rony Staubach and Marvin Webster.

Hill, 37, has never been a head coach at either the professional or college level. Prior to joining the Knicks, where he was Brown's main assistant for two seasons, he was a top assistant at Kansas for eight years.

The Knicks are 4-12 this season despite the return of most of the injured players — with the notable exception of King, the league scoring champion in 1984-85.

"The move was not necessarily made because of the team's early won-loss record," said Scotty Sturdivant, the general manager, "but because the expected improvement was not there."

Brown, 53, was the NBA coach of the year with Atlanta in 1978 after the Hawks improved from a 31-51 to a 41-41 record. He spent a year out of coaching in 1981-82 after being fired by the Hawks, where he coached five years.

Humble Brown

tive NFL coaches — in two seasons with the Colts:

Mayer, 45, coached the NFL New England Patriots from 1982-84, compiling an 18-15 record. He entered the league after coaching at Nevada-Las Vegas and Southern Methodist; he had a 61-39-1 college record, and his final two teams at SMU won 18 of 22 games.

Brown was in his fifth season as coach of the Knicks. He led them to the Eastern Conference semifinals his first two years, but the team was 24-38 and 23-59 the last two seasons after injuries to Bernard King, Bill Cartwright, Pat Cummings, Patrick Ewing, Rony Staubach and Marvin Webster.

Hill, 37, has never been a head coach at either the professional or college level. Prior to joining the Knicks, where he was Brown's main assistant for two seasons, he was a top assistant at Kansas for eight years.

The Knicks are 4-12 this season despite the return of most of the injured players — with the notable exception of King, the league scoring champion in 1984-85.

"The move was not necessarily made because of the team's early won-loss record," said Scotty Sturdivant, the general manager, "but because the expected improvement was not there."

Brown, 53, was the NBA coach of the year with Atlanta in 1978 after the Hawks improved from a 31-51 to a 41-41 record. He spent a year out of coaching in 1981-82 after being fired by the Hawks, where he coached five years.

Cunningham Leads Eagles Past Raiders in Overtime

By Bob Ornes

Los Angeles Times Service

LOS ANGELES — It was a classic quarterback duel here Sunday, and in the end one of them, Randall Cunningham of the Philadelphia Eagles, won it fittingly, with a quarterback sneak in overtime.

His one-yard run beat the Los

Angeles Raiders' Jim Plunkett, 39, in a 33-27 National Football League game that matched the two of them for more than four quarters in a battle of bombs and sticks and a wide variety of other plays.

Cunningham, 23, is a second-year pro; Plunkett a 16-year veteran. But both played as if they had been in the league about eight years and were just this moment reaching their peaks.

In the third quarter, for example, Plunkett had two long passes — both perfectly thrown — to the same man, wide receiver Jesse Hester, on the 49-yard and 81-yard plays that put the Raiders in front, 24-17.

But Cunningham surprised one of the league's finest defensive teams with three touchdowns

passes in the second quarter built a 34-14

advantage, and the Broncos withstood a late Cincinnati rally to open up a two-game lead in the AFC West.

Elway, who hadn't thrown for a

touchdown in the previous three games, had scoring passes of 4 yards to Vance Johnson, 19 yards to Mark Jackson and 8 yards to Sammy Winder in the second quar-

ter. "We knew we had to put some

points on the board," said Elway, noting that the Bengals came into the game with the league's second-ranked offense.

Cincinnati was going to score,

we knew that. I thought we re-

sponded well."

Denver took a 20-point lead into

the final, but the Bengals rallied as Boomer Esiason bit Cris Collinsworth on scoring passes of 7 and 46

yards.

A third threat ended on an abort-

ed center snap to quarterback Esiason, who was in the shotgun forma-

tion.

Center Dave Rimington's snap

on third down sailed past Esiason

and resulted in a 23-yard loss, forc-

ing a punt with four minutes to

play. Cincinnati did not get its

hands on the ball again.

Said Sam Wyche, the Bengal

coach: "They were the best team

according to the score. But we'd

love to play them again."

• Elsewhere in the NFL, The As-

sociated Press reported:

Broncos 34, Bengals 28: In Den-

ver, three TD passes by John Elway

would never thereafter take the

lead.

This was the greatest win of the

[Ryan] era," said Ryan, who had

previously guided the Eagles past

the Rams 17-3, to take permanent

possession of Los Angeles at least

for this year.

Sunday's was a game the Raiders

probably could have won if they

hadn't dropped a couple of touch-

down passes in the second quarter.

Or they could have won it, prob-

ably, with a field goal either then

or when the Eagles had a de-

fensive stand at the Philadelphia

5-yard line — or in overtime, when

they advanced to the Eagle 20

plays before Marcus Allen fumbled the ball.

They could have even won it with

27 seconds left in regulation time

when Dokis Williams made a diving

catch in the end zone. The offi-

cials didn't think it was a legal

reception.

And they should have won, no

doubt, from a quarterback as inex-

perienced as Cunningham.

But Cunningham doesn't worry

about the things he hasn't yet

found out about in pro ball. "Even

a genius has a lot to learn," said

Ryan.

"Randall has the wheels to get

out there" away from the rush "and

the arm to get the ball past Hayes,"

Ryan said.

Actually, Lester Hayes defended

it as well as any cornerback could.

"That was about my fifth read,"

Ryan said.

NFL ROUNDUP

would never thereafter take the

lead.

ART BUCHWALD

Overstretched Credibility

WASHINGTON Every time I believe my credibility has been stretched to its limit someone stretches it some more.

This time it was my confidential source at the White House who did the stretching. His code name is "The Meeberger."

"Do you believe the story that Lieutenant Colonel Oliver North of the NSC was the only person in the White House who knew we were smuggling arms to Iran and sending funds to the 'contras' at the same time?" he asked me.

"I not only believe it, I'm sorry I didn't think it up myself. Anyone who can run an under-the-table multimillion-dollar arms smuggling ring in the White House can write a helluvva yarn," I told The Meeberger. "The movie rights are worth a fortune."

"Do you believe that Secretary of State George Shultz is a rat?" he asked.

"Do you want me to?" "No, but I would appreciate it if you passed it on."

I asked The Meeberger, "When did the president know George Shultz was a rat — before or after the arms shipments to Iran were okayed?"

"He found out afterward — but we suspected something earlier when Shultz refused to take a lie detector test, which showed he wasn't a team player."

"Do you believe the president

Electronic Art System Aids Gallery Buyers

New York Times Service

A electronic system that allows art dealers to view images of works for sale on a computer screen has been installed at eight galleries across the United States.

The Omnivore electronic art catalog has been installed at galleries, in New York, Washington, Boston, Chicago, Seattle, Los Angeles, Houston and Milwaukee. The system is expected to be expanded to 10 other locations in 1987.

ANNOUNCEMENTS

MOVING

FOUR WINDS

International
GET A BETTER SERVICE FROM THE LARGEST WORLDWIDE MOVER

Write to: Cipher 75-4952
Aero Schreiter Announces AG
CH-0001 Zurich

URGENT EUROPEAN BASED Gamma American boy aged 12-14 needed for major film. Shootings in Europe mid-May to mid-June. Write to Box 4389, U.L.T., 63 Long Acre, London WC2E.

FEELING low? having problems? SOS SOS SOS crisis in English, 3 pm - 11 pm. Tel: 47 23 80 11.

GUAM USA DIVORCE. No Guam High Court divorce. Call 47 23 80 11, Agana, Guam. Tel: 47 23 77-637.

ALCOHOLICS ANONYMOUS in English. Para (daily) 434 5943, Room 676 02 20, Netherlands (020) 255007.

PORTUGAL SEE Holidays & Travel.

SUN, NY, TIMES - Europe delivery. Write Keyser, P.O. 2, 81000 Brussels.

PERSONALS

THIS CHRISTMAS, GIVE SOMEONE on original Times newspaper dated the very day they were born. \$29 and £29 on an off-day. £12.50, £10.50, £9.50, £7.50, £5.50, £3.50, £2.50 and £1.50 yesterday's News, £3.50, £3.00, £2.50, £2.00, £1.50, £1.00, £0.50, £0.25 and £0.10. Tel: 47 23 80 11.

MIL MORGAN DARLING, WE MISS YOU. Send care, all our love.

PETER COBB. When will we see you again?

MOVING

interdean

WHO ELSE FOR YOUR NEXT INTERNATIONAL MOVE
FOR A FREE ESTIMATE CALL

AMSTERDAM: (02) 47 93 24
ANTWERP: (03) 23 11 00
ATHENS: (01) 65 31 12
BARCELONA: (03) 23 00 62
BONN: (02 21) 40 00 62
BRUSSELS: (02) 20 95 53
CAEN: (03) 46 31 44
FRANKFURT: (061 11) 43 85 13
GENEVA: (022) 44 45 40
LONDON: (01) 46 71 24
MOSCOW: (095) 22 00 00
MUNICH: (089) 17 80 11
NAPLES: (081) 56 24 52
PARIS: (01) 42 24 52 20
VIENNA: (0222) 19 55 52
ZURICH: (01) 343 20 00

International
Secretarial Positions

SECRETARIAL POSITIONS AVAILABLE

Large American Co.'s, Paris Branch seeks young BILINGUAL

MALE OR FEMALE SECRETARY

English mother tongue, IBM PC, word processor, telephone, fax, etc. Initial one year contract could evolve into long term with increased responsibilities.

Please send curriculum vitae under No. 6061 to PARFAIRE, 4 rue Robert de Sorbon, 75006 Paris.

PARIS MORE THAN A SECRETARY

Progressive international medical electronics company needs male or female, bilingual French + English or male German or Italian (alternative) with commercial knowledge, including import, export, documentation and public affairs. Starting beginning mid January. Opportunities for growth. Send C.V. to Box 4713, 14 rue Fabrigne, 92251 Neuilly Cedex, France. Be ready for interview by mid-December.

MINERVE SEEKS FOR AMERICAN PERSONNEL IN PARIS

English, Belgian, Dutch, German secretaries, knowledge of French required. English shorthand. Bilingual telecon. Write or phone: 138 Avenue Victor Hugo, 75116 Paris, France. Tel: (1) 47 27 61 07.

SECRETARIAL POSITIONS AVAILABLE

PLUS

INTERNATIONAL

Specialized temporary agency seeks

Bilingual and English mother tongue

SECRETARIES

Shortened and word processing jobs appreciated.

PARIS & SUBURBS

PLACE BEAUBOURG

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 19th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE DE LA BOURSE

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 19th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS

PLACE SAINT-MICHEL

Top floor, 100 sqm, exceptional view, 2 bedrooms, 2 bathrooms, 2 balconies, 2 terraces, garage.

DREYFUS, Paris 6th arrondissement, Tel: 47 23 01 79

INTERMEDIA

Tel: 46 47 47

PARIS & SUBURBS